

stamp: AIKATERINI CH. KATECHI
LAWYER
Athens Bar Association Reg. Number: 26211
9, P. NIRVANA Street, FILOTHEI 15237
TIN: 100501319 – TAX OFFICE OF PSYCHIKO
TEL: 210 3447552 – MOBILE: 6972 994567

EKTER SA

ANNUAL

FINANCIAL REPORT

(According to Article 4 of Law 3556/2007)

PERIOD

1/1/2019 – 31/12/2019

General Electronic Commercial Registry No. 285201000 – (REGISTER NO 2147/06/B/86/06)

15 Nikis Street, 105 57 Athens

(amounts in EUR)

**ANNUAL FINANCIAL REPORT
OF EKTER S.A.
For the period from 1 January to 31 December 2019**

CONTENTS

I. STATEMENTS BY REPRESENTATIVES OF THE BOARD OF DIRECTORS.....	1
III. ANNUAL REPORT OF THE BOARD OF DIRECTORS	2
III. AUDIT REPORT OF THE INDEPENDENT AUDITOR.....	35
IV. FINANCIAL STATEMENTS.....	41
A. ELEMENTS OF THE STATEMENT OF FINANCIAL POSITION	41
B. STATEMENT OF COMPREHENSIVE INCOME	42
C. STATEMENT OF CHANGES IN EQUITY	43
C.1. CONSOLIDATED FIGURES.....	43
C.2. CORPORATE INFORMATION	43
D. CASH FLOW STATEMENT	44
E. NOTES TO THE FINANCIAL STATEMENTS	45
1. The context in which the financial statements are drawn up.....	45
2. Information about the Company	51
3. Structure of the Group	53
4. Transactions with parties related to the Company	54
5. Evolution of staff employed	56
6. Important notes / events	56
6.1. Events during the period included in the financial statements	56
6.2. Subsequent events.....	57
6.3. Impact of events on financial figures	57
7. Contingent liabilities and receivables	58
8. Accounting principles followed.....	58
8.1. Consolidation of undertakings	58
8.2. Tangible fixed assets	60
8.3. Intangible assets	62
8.4. Impairment of assets.....	62
8.5. Available-for-sale investments	63
8.6. Inventories.....	64
8.7. Trade receivables	64
8.8. Cash and cash equivalents.....	65
8.9. Transactions in foreign currencies	65
8.10. Loans	65
8.11. Leases	66
8.12. Financial instruments	66
8.13. Dividends	67
8.14. Taxes (current and deferred)	67
8.15. Provisions.....	68

stamp: AIKATERINI CH. KATECHI

LAWYER

Athens Bar Association Reg. Number: 26211

9, P. NIRVANA Street, FILOTHEI 15237

TIN: 100501319 – TAX OFFICE OF PSYCHIKO

TEL: 210 3447552 – MOBILE: 6972 994567

EKTER S.A.

ANNUAL FINANCIAL REPORT

Financial year from 1/1/2019 to 31/12/2019

8.16. Employee benefits	68
8.17. Recognition of revenue and expenses	68
8.18. Construction contracts	70
9. Explanatory notes	71
9.1. Seasonality of operations	71
9.2. Turnover analysis	71
9.3. Cost of sales	72
9.4. Administrative costs	73
9.5. Other operating revenue and expenses	73
9.6. Financial income and expenses	74
9.7. Other financial results	75
9.8. Taxes - reconciliation of the accounting result	75
9.9. Earnings per share	77
9.10. Fixed assets	78
9.11. Capital expenditure	79
9.12. Existing encumbrances	80
9.13. Inventories - Receivables from the execution of projects	81
9.14. Trade receivables	81
9.15. Other assets	82
9.16. Cash and cash equivalents	84
9.17. Long-term liabilities	85
9.18. Bank liabilities (long-term — short-term)	87
9.19. Other short-term liabilities	88
9.20. Maturity analysis of amounts due to third parties	89
9.21. Outstanding Obligations	90
9.22. Equity capital	91
9.23. Letters of guarantee in force	92
V. DATA AND INFORMATION	93
VI. INFORMATION UNDER ARTICLE 10 OF LAW 3401/2005 PUBLISHED BY THE COMPANY DURING THE FINANCIAL YEAR 2019	94
VII. WEBSITE WHERE THE ANNUAL FINANCIAL REPORT IS PUBLISHED	95

I. STATEMENTS BY REPRESENTATIVES OF THE BOARD OF DIRECTORS

(In accordance with Article 4, par. 2 of Law 3556/2007)

The undersigned:

1. Athanasios Sipsas, President of the Board of Directors
2. Konstantinos Stoumpos, Vice President of the Board of Directors & Managing Director
and
3. Georgios Pliatsikas, Member of the Board of Directors

We certify and declare, to the best of our knowledge, that:

- (a) The annual corporate and consolidated financial statements of EKTER S.A. for the period from 1 January 2019 to 31 December 2019, which have been prepared following the applicable International Financial Reporting Standards, present fairly the assets and liabilities, net assets and profit and loss account of operations of EKTER S.A. and the entities included in the consolidation taken as a whole, and
- (b) the annual report of the Board of Directors gives a true and fair view of the development, performance, and position of EKTER S.A. and of the undertakings included in the consolidation taken as a whole, including a description of the principal risks and uncertainties they face.

Athens, 25 June 2020

Athanasios K. Sipsas
[signature]
President of the Board of
Directors

Konstantinos I. Stoumpos
[signature]
Vice President of the Board of
Directors & Managing
Director

Georgios I. Pliatsikas
[signature]
Member of the Board of
Directors

II. ANNUAL REPORT OF THE BOARD OF DIRECTORS

Of the Public Limited Company with the name EKTER S.A.

On the consolidated and company financial statements for the period from 1 January to 31 December 2019 following the provisions of Article 4 of Law 3556/2007

Ladies and Gentlemen Shareholders,

We submit to those interested, the financial statements for the financial year 2019 (1 January to 31 December 2017), which have been prepared in accordance with the provisions of Codified Law 4548/2018 and in accordance with the provisions of paragraphs 2, 6, 7 and 8 of Article 4 of Law 3556/2007 and the executive decisions issued by the Board of Directors of the Hellenic Capital Market Commission.

This report includes all the important individual subject areas required in order to extract meaningful and comprehensive information on the company and its group during the financial year 2019.

The following companies are consolidated in the Group:

- IFIKLIS S.A., established in Greece, holding 100% of the shares
- J/V EKTER S.A. - ERTEKA S.A. - THEMELI S.A. - INTRAKAT, established in Greece, holding 24% of the shares.
- J/V DOMIKI KRITIS S.A. - EKTER S.A. - ERETVO S.A. established in Greece, holding 33,33% of the shares (PROJECT: GOURNES, HERAKLEIO CRETE)
- J/V AEGEK CONSTRUCTION S.A. - VIOTER S.A. - AKTOR S.A. - EKTER S.A, established in Greece, holding 20% of the shares
- J/V IFIKLIS S.A. - TALOS S.A., established in Greece, holding 37,49% of the shares

- J/V ERETVO S.A. - EKTER S.A. - DOMIKI KRITIS S.A., established in Greece, holding 33,33% of the shares (PROJECT: AGIA VARVARA, CRETE)
- EKTER VENTURES SRL, established in Romania, holding 100% of the shares
- PRIPU RESIDENCE SRL, established in Romania, holding 50% of the shares

The Company as well as any company of the Group has neither established nor maintains a branch.

1. KEY FINANCIAL INDICATORS AND THEIR DEVELOPMENT FOR THE COMPANY AND THE GROUP DURING THE FINANCIAL YEAR UNDER REVIEW

Turnover

In 2019, the Parent Company's turnover amounted to € 20,114,152.59, while in 2018 it was € 22,756,890.20, a decrease of 11.61%.

The largest share of turnover in the current period was generated in the first half of the financial year, a period during which the execution of works on two hotel complexes was completed. As stated in the significant events of the period, the new construction contracts were signed towards the end of the financial year, with the stage of completion of their works being initial as of 31 December 2019.

The Group's turnover is identical to that of the Parent Company, as the subsidiaries have no trading activity during the period under review.

GROSS PROFIT

The Company's gross results for the financial year amounted to a loss of € 1.251.692,40 in 2019, compared to a profit of € 3.080.371,48 in 2018, as a result of additional costs incurred during the closing of projects than those budgeted. At the same time, as explained in section 6.2 of the financial statements, the company has appealed to an arbitration court for financial

disputes of €2.3 million from project execution whose construction costs have been accounted for in cost of sales but not recognized as a receivable. The gross profit of the Group is identical to that of the Parent Company.

EBITDA

Earnings Before Interest, Tax, Depreciation, and Amortization, on a consolidated basis, amounted to a loss of € 2,562,362.66 in 2019, compared to a profit of € 1,722,735.81 in 2018. The corresponding figures for the parent company were a loss of € 2,499,136.04 in 2019, compared to a profit of € 1,771,402.57 in 2018.

The change is proportional to the change in gross profit, given that the changes in operating income and expenses are not material, while operating expenses have increased marginally by 4.22% at Group level and by 4.02% at Company level.

Net profit and loss account for the year before tax:

At the Group level, the net profit and loss account before tax showed a loss of € 2,262,059.35 in 2019 compared to a profit of € 1,466,660.21 in 2018. The net profit and loss account before tax of the parent company showed a loss of € 2,125,597.84 in 2019 compared to a profit of € 1,431,867.81 in the previous year.

The above results are the fruit of the aforementioned events, while they have been limited by the positive financial results in the context of participation in joint ventures for the construction of projects.

Net profit and loss account after tax:

The Group's net profit and loss account after tax in 2019 showed a loss of € 1,610,812.77 compared to a profit of € 531,683.40 in 2018. The net profit and loss account after tax of the parent company showed a loss of € 1,518,498.91 compared to a profit of € 595,548.67 in 2018. The trend in profits after tax is in line with profits before tax at a consolidated and corporate level.

Current assets:

The Group's total current assets, not including cash reserves, amounted to € 11,829,942.22 as of 31/12/2019, compared to € 10,973,591.85 as of 31/12/2018, which represents an increase of 7.80%.

The material changes came from the elimination of inventories after the transfer of the land in Amaroussio, Attica, the decrease in receivables from works, the increase in trade receivables, while the decrease in advances to suppliers was mainly due to advances from the previous financial year, based on a subcontracting agreement, which were invoiced upon completion of the construction work commissioned, within the current financial year.

The elimination of Receivable Accrued is due to the corresponding invoicing at the beginning of 2019 of certifications which were included in the turnover of the financial year 2018, during which the corresponding expenses were incurred. This change does not affect revenue from construction contracts, the amount of which is determined by the stage of completion as defined in IFRS 15.

Finally, the increase in trade receivables, combined with repayment to suppliers of increased project costs, significantly reduced cash and cash equivalents.

Total current assets of the parent company increased by 9.17% to € 11,342,987.65 as of 31/12/2019 compared to € 10,403,432.23 as of 31/12/2018. The reasons for the change were explained above.

Current liabilities

The Group's total current liabilities as of 31/12/2019 amounted to € 5,745,362.27 compared to € 8,606,813.33 as of 31/12/2018, a decrease of 33.25%. At the parent company level, total current liabilities as of 31/12/2019 amounted to € 5,858,380.13 compared to € 8,663,836.00 as of 31/12/2018, a decrease of 32.38%.

The most significant change relates to the parent company's borrowing, which amounted to € 2,500,000.00 as of 31/12/2019 and its use as working capital to meet the company's current needs.

A change is also the determination, based on the provisions of IFRS 16, of lease liabilities, for which no comparative amounts exist under the first application.

Accrued Expenses incurred as of 31/12/2018 related to certifications of work to subcontractors in December 2018, which were invoiced at the beginning of the financial year 2019, in line with the certifications to the owners of the projects. Correspondingly, as of 31/12/2019 they were related to certifications of work performed in December 2019, which were invoiced at the beginning of the current financial year.

The amount of advances from customers as of 31/12/2018 related to the receipt of an interest-free advance payment for a construction contract, which was amortized within the current period, as well as advance collection of a certification for the month of December, which was invoiced in January 2019. The corresponding amount as of 31/12/2019 relates to the collection of interest-free advance payment for new construction contracts signed at the end of the current financial year. There is a significant decrease in liabilities from the execution of works under the percentage of completion method, while the difference in liabilities from taxes - fees relates to their timely payment in the first two months of the current financial year.

The change in current liabilities, during the period, is mainly due to interest-free financing of € 100,000.00 from a subsidiary, and interest-bearing financing of € 250,000.00 from a parent company-customer of the parent company. At the same time, deferred income was set to zero, as the amount as of 31/12/2018 related to the amortized balance of invoiced advances for work incorporated into the project during the current financial year.

The change in liabilities to suppliers - subcontractors is due to the decrease in activity in the second half of the current period, as new construction contracts were signed at the end of the current financial year.

It should be noted that all the liabilities are up to date.

Total liabilities

The Group's total liabilities as of 31/12/2019 amounted to € 6,047,339.02 compared to € 8,885,050.24 as of 31/12/2018, a decrease of 31.94%. At the parent company level, total

liabilities amounted to € 6,160,325.68 as of 31/12/2019 compared to € 8,942,044.15 as of 31/12/2018, a decrease of 31.11%. The change is due to current liabilities, as explained above.

2. SIGNIFICANT EVENTS THAT OCCURRED DURING THE FINANCIAL YEAR AND THEIR IMPACT ON THE FINANCIAL STATEMENTS

2.a. Events during the period included in the financial statements

During the period 1/1/2019 - 31/12/2019 the following significant events took place:

1. A progressive loan of an initial amount of € 3,500,000.00 was made, which was reduced to € 2,500,000.00 by 31/12/2019. The purpose of the loan was to use it as working capital for the company's current needs.
2. On 29 July 2019, a plot of land owned by the company in the area of Amaroussio, Attica, was transferred for an amount of € 1,000,000.00, which limited the company's loan obligation.
3. On September 3, 2019, the signing of a contract for the execution of a private project, including the first phase of partial demolition of a building and the construction of an office and warehouse building, at 18-20 Doridos Street, Tavros, Attica, was announced. The total budget of the awarded first phase of the project amounts to € 1.548.00,00 including VAT, while the deadline for its completion is set at eight (8) months.
4. On October 14, 2019, an announcement was made concerning the signing of the project execution contract with the company "GMD TOURISTIC ENTERPRISES S.A." for the execution of the project "Completion of the existing unfinished B' category Hotel and upgrade to a 5* Hotel, 57 beds, internal arrangements, renovation of facades, addition of a semi-sheltered space in expansion, construction of swimming pools and landscaping at the location of VATHI LIMENOS, THASSOS". The total budget of the project amounts to € 5.518.000,00 including VAT, with a deadline for completion of all works on May 31, 2020.
5. On 23 December 2019, the signing of a project execution contract with the Bank of Greece S.A. was announced, with the subject of the contract being the execution of the works of the project "Renovation and modernization of the building at 16 Sina Street". The total budget

of the project amounts to € 5.578.667,62 including VAT, while the deadline for completion of the project is set at 36 months.

2.b. Impact of events on financial figures

The total interest charge, from the short-term loan of paragraph 2.a.1, amounted to € 105,665.77, while the sale of the property of paragraph 2.a.2 resulted in a marginal loss of € 2,753.60, which was recorded in the profit and loss account of the period.

Concerning the effects of new projects undertaken on the Company's financial figures, these will be progressively incorporated based on the progress of their execution.

3) OBJECTIVES – PROSPECTS

In 2019, EKTER S.A. participated in more than 15 tenders of private and public projects, both on its own and by participating in broader schemes with other companies. Its participation resulted in the execution of three new projects, two in Athens and one in Thassos.

Its Bucharest, Romania-based single-owned subsidiary has started construction works on the first plot located in Bucharest since the beginning of 2019, with the construction of the residential and office building accounting for 30% of the construction. For the second plot, construction works are expected to start in winter of 2020.

Based on the project contracts signed until 31/12/2019, the Company shows a work in progress as of 31/12/2019 of € 10,458,584.31 compared to € 14,198,264.40 as of 31/12/2018. The above construction contracts are within the contractual schedules and are expected to be completed within the next two years. The above amounts include projects constructed on behalf of public and private entities. The share, concerning EKTER, of the work in progress related to its participation in Joint Ventures amounts to € 533,568.09 as of 31/12/2019 compared to € 9,227,606.01 as of 31/12/2018.

In the Real Estate sector, the company is currently exploring the tourism sector, mainly in the construction of hotel units in the Greek islands and in the development of the land it owns in Agios Ioannis Dettis, in Paros Island.

The company's 6th class constructors' license, its many years of experience and its high level of expertise are the main components of EKTER's S.A. participation in the tenders to be conducted by the "Antonis Tritsis" development program for the Municipality, which includes development projects of the capital and the surrounding region.

In addition to the above, the company has experienced with seriousness and responsibility the new reality arising from the emergence and rapid spread of the coronavirus in our country, as well as, of course, in the rest of the world. EKTER S.A., in these difficult conditions, dangerous for both health and economy, implemented the teleworking system to avoid overcrowding in its offices. The priority of the company, as it has always been, but even more so now, is to ensure the work both at the headquarters and at the construction sites with all the necessary and preventive means for the health of its employees. It is noted that there has been no suspension of work at the company's sites, and the delays that have occurred have been non-significant and, in any case, manageable.

4) RELATED PARTY TRANSACTIONS

The Company's commercial transactions with related parties during 2019 were conducted under usual market terms. The following is an analysis of transactions (provision of services) and balances of EKTER S.A. with all related companies and joint ventures.

4.1. Sales — Purchases of goods and services

GROUP Company Name	1/1 - 31/12/2019		1/1 - 31/12/2018	
	Purchases	Sales	Purchases	Sales
J/V "IFIKLIS S.A. - TALOS S.A."	0.00	0.00	0.00	0.00
J/V "DOMIKI KRITIS S.A. - EKTER S.A. - ERETBO S.A." (BOAK)	0.00	174,700.00	0.00	544,378.27
Total	0.00	174,700.00	0.00	544,378.27

stamp: AIKATERINI CH. KATECHI
LAWYER

Athens Bar Association Reg. Number: 26211
9, P. NIRVANA Street, FILOTHEI 15237
TIN: 100501319 – TAX OFFICE OF PSYCHIKO
TEL: 210 3447552 – MOBILE: 6972 994567

EKTER S.A.
ANNUAL FINANCIAL REPORT

Financial year from 1/1/2019 to 31/12/2019

COMPANY Company Name	1/1 - 31/12/2019		1/1 - 31/12/2018	
	Purchases	Sales	Purchases	Sales
IFIKLIS S.A.	9,000.00	2,400.00	0.00	2,400.00
J/V "DOMIKI KRITIS S.A. - EKTER S.A. - ERETBO S.A." (BOAK)	0.00	174,700.00	0.00	544,378.27
Total	9,000.00	177,100.00	0.00	546,778.27

4.2. Transactions — balances with related companies

GROUP Company Name	31/12/2019		31/12/2018	
	Liabilities	Receivables	Liabilities	Receivables
Companies consolidated				
J/V "IFIKLIS S.A. - TALOS S.A."	1,155.72	0.00	1,038.91	0.00
J/V "DOMIKI KRITIS S.A. - EKTER S.A. - ERETBO S.A." (BOAK)	0.00	1,512,914.24	18,938.57	0.00
K/Ξ J&P ABAΞ AE - EKTEP AE	0.00	0.00	30,414.63	0.00
J/V "AEGEK CONSTRUCTION S.A. - BIOTER S.A. - AKTOR S.A. - EKTER S.A."	0.00	344,985.93	0.00	341,679.65
J/V "ERETBO S.A. - EKTER S.A. - DOMIKI KRITIS S.A." (AG. VARVARA)	0.00	43,223.28	0.00	482,830.48
PRIPU RESIDENCE SRL	0.00	495,000.00	0.00	495,000.00
Subtotal	1,155.72	2,396,123.45	50,392.11	1,319,510.13
Participation Joint Ventures that are not Consolidated	236,738.80	14,899.87	327,074.99	0.00
Subtotal	237,894.52	2,411,023.32	377,467.10	1,319,510.13
Provisions for non-payment/collection	0.00	0.00	0.00	0.00
Total	237,894.52	2,411,023.32	377,467.10	1,319,510.13

COMPANY Company Name	31/12/2019		31/12/2018	
	Liabilities	Receivables	Liabilities	Receivables
Companies consolidated				
"IFIKLIS S.A."	100,000.00	1,832.40	0.00	0.00
J/V "DOMIKI KRITIS S.A. - EKTER S.A. - ERETBO S.A." (BOAK)	0.00	1,054,642.73	63,378.16	0.00
K/Ξ J&P ΑΒΑΞ ΑΕ - ΕΚΤΕΡ ΑΕ	0.00	0.00	30,414.63	0.00
J/V "ΑΕΓΕΚ CONSTRUCTION S.A. - ΒΙΟΤΕΡ S.A. - ΑΚΤΟΡ S.A. - ΕΚΤΕΡ S.A."	0.00	359,033.60	0.00	358,158.08
J/V "ΕΡΕΤΒΟ S.A. - ΕΚΤΕΡ S.A. - ΔΟΜΙΚΙ ΚΡΙΤΙΣ S.A." (ΑΓ. ΒΑΡΒΑΡΑ)	14,700.90	0.00	14,451.16	0.00
EKTER VENTURES SRL	0.00	630,000.00	0.00	580,000.00
Subtotal	114,700.90	2,045,508.73	108,243.95	938,158.08
Participation Joint Ventures that are not Consolidated	236,738.80	14,899.87	327,074.99	0.00
Subtotal	351,439.70	2,060,408.60	435,318.94	938,158.08
Provisions for non-payment/collection	0.00	0.00	0.00	0.00
Total	351,439.70	2,060,408.60	435,318.94	938,158.08

4.3. Transactions and Remuneration of Directors and Management

In detail, the management of the Company and the Group has received in the current financial year:

Category of Board of Directors' Remuneration	Total Exit amount until 31/12/2019	Balance to be paid on 31/12/2019
Remuneration of the Board of Directors Based on the decision of the General Meeting of Shareholders & service	495,854.76	0.00
Remuneration of the Board of Directors From previous financial year	0.00	0.00
Total	495,854.76	0.00

As of 31/12/2019 and 31/12/2018, there are no liabilities or receivables from members of the Management.

5) Share information and valuation ratios

The Company has been listed on the Athens Stock Exchange since 23 November 1994. The Company's share capital as of 31/12/2019 amounts to € 5,850,000.00 and is divided into

11,250,000 ordinary registered shares with a nominal value of € 0.52 each. The price of the ordinary share on 31.12.2019 was € 1,200. On the same day, the Market Value of EKTER S.A. amounted to EUR 13,500,000.

The table below shows key information and indicators for the share.

INFORMATION AND INDICATORS FOR THE SHARE- CONSOLIDATED FIGURES		
	12/31/2019	31.12.2018
Share price (Euro)	1.200	1.200
Number of ordinary shares	11,250,000	11,250,000
Weighted total shares	11,250,000	11,250,000
Capitalization (Euro)	13,500,000	13,500,000
Book value per share (Euro)	1.60	1.78
Earnings before tax per share (Euro)	-0.20	0.13
Earnings after tax per share (Euro)	-0.14	0.05
P/E after tax per share	-8.38	25.39
EV / Sales ⁽¹⁾	0.77	0.29
EV / EBITDA ⁽²⁾	-6.05	3.87

⁽¹⁾ EV: Capitalization + Debt — Assets — Securities

⁽²⁾ EBITDA: Earnings Before Interest, Tax, Depreciation, and Amortization

6) Financial indicators

A) ASSETS	COMPARABLE PERIOD 1/1-31/12/2018	
	2019	2018
Total assets	0.18%	-0.24%
Total liabilities	-31.94%	85.08%
Total assets/Total liabilities	22.07%	-35.72%
B) ITEM OF PROFIT OR LOSS	COMPARABLE PERIOD 1/1-31/12/2018	
	2019	2018
Total turnover	-11.61%	170.05%
Profit before tax	-254.24%	187.87%

INDICATORS OF CONSOLIDATED FIGURES FOR THE PERIOD 1/1-31/12/2017

<u>INDICATORS</u>	<u>CURRENT PERIOD</u>	<u>COMPARABLE PERIOD</u>
A) EFFICIENCY		
Equity	-8.95%	2.65%
Assets	-6.70%	1.84%
B) MARGINS		
Gross profit	-6.22%	13.54%
Profit before tax	-11.25%	6.44%
C) LIQUIDITY		
General liquidity	2.14	2.07
D) FINANCIAL CHARGES		
Financial charges to earnings before interest and taxes	-18.54%	19.39%
Financial charges to gross profit	-28.26%	11.45%
E) DEBT BURDEN		
Debt to equity	0.32	0.43
Bank & Finance lease liabilities to equity	0.14	-
Bank liabilities to equity	0.14	-

7) TREASURY SHARES

The company and its affiliated companies do not hold any treasury shares.

8) PROPOSAL FOR THE DISTRIBUTION OF THE FINANCIAL YEAR RESULTS

The Board of Directors of the Company will propose at the Ordinary General Meeting that no dividend be distributed for the financial year 2019.

9) CORPORATE GOVERNANCE STATEMENT

Introduction

This Corporate Governance Statement has been prepared in accordance with the provisions of Articles 152 -153 of Law 4548/2018, and consists of the following sections:

- 9.1. Declaration of Compliance with the Corporate Governance Code
- 9.2. Board of Directors and Committees
- 9.3. General Meeting & Shareholders' Rights
- 9.4. Internal audit and Risk Management Matters
- 9.5. Remuneration of members of the Board of Directors
- 9.6. Deviations from the Corporate Governance Code and justifications
- 9.7. Information under Article 10, par. 1 (c), (d), (f), (h), and (i) of Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids.
- 9.8. Report of the Board of Directors pursuant to paragraph 7 of Article 4 of Law 3556/2007

9.1. Declaration of Compliance with the Corporate Governance Code

As a public limited company listed on the Athens Stock Exchange, the Company diligently enforces the applicable legislation on corporate governance, in particular Law 4548/2018, Laws 3016/2002, 3693/2008, 3884/2010 and 3873/2010, as well Laws 3556/2007, 3340/2005, as applicable. The provisions of the aforementioned laws formulate the minimum corporate governance requirements for companies whose shares are traded on a regulated market.

In addition to the above, the Company voluntarily complies with and applies in principle the corporate governance practices of the Corporate Governance Code drafted on the initiative of SEV (the "Code") as far as it relates to smaller listed companies, as supplemented and in force - as the Greek Corporate Governance Code ("EKED"), following its revision/amendment by the Hellenic Corporate Governance Council ("ESED") in October 2013, and is posted on <http://helex.gr/el/web/guest/esed-hellenic-cgc>.

It should be noted, however, that the provisions of the above Code incorporate not only the minimum corporate governance requirements as set out in the applicable legislation but also several additional, special provisions, concerning the statutory minimum requirements.

The Company, where applicable, deviates from or does not apply in their entirety certain provisions of the Code relating to "Special Practices for listed companies", as more specifically set out below. However, it is clarified that an explanation of non-compliance is omitted from those "Special Practices" provided for in Annex I of the Code exemption from the obligation to explain non-compliance with them for smaller listed companies, as such are considered those that during most of the year to which the Corporate Governance Statement refers did not participate in the *FTSE/ ATHEX Large Cap* and *FTSE/ ATHEX Mid Cap* indices, as the Company did in the financial year under review.

The Company has not adopted any practices other than the requirements of the law and the Code (with the exceptions to this statement set out below).

The principles and practices applied by the Company are reflected in the Articles of Association, the Internal Operating Regulations, the Remuneration Policy and, where appropriate, other regulations or policies of the Company governing its individual operations.

The Company's Articles of Association are posted on the Company's website: www.ekter.gr

The Company has not yet introduced/adopted a Corporate Code based on the general principles and specific practices of the latest revision of the Code.

9.2. Board of Directors and Committees

9.2.a. Board of Directors (Composition — Term of office)

In accordance with the Articles of Association, the Board of Directors is composed of three (3) to nine (9) members as the size and organization of the Company do not necessitate the

provision for a larger number of Board of Directors in the Code, i.e., from seven (7) to fifteen (15) members [Special Code Practice: A.II. (2.1)].

The members of the Board of Directors are elected by the General Meeting of Shareholders, which freely determines within the framework of the Articles of Association and the applicable legislation, in particular Law 3016/2002, as applicable, the exact number of members and which of them will be Independent. The Board of Directors shall appoint its Executive and Non-Executive members.

The members of the Board of Directors shall be elected for a five-year term of office, which shall be extended until the Ordinary General Meeting to be held immediately after the expiry of the term of office. Their re-election is permitted. Maintaining the five-year term of the Board of Directors instead of adopting the four-year term of office proposed by the Code was considered preferable for the Company, as it is consistent with the Company's long-standing practice and ensures more stable management, provided that, at the same time, shareholders may by law elect a new Board of Directors whenever they deem it appropriate. Besides, it has been found that in practice, due to the replacement of Board members due to resignations, members are often replaced without the statutory term of office being exhausted [Special Code Practice: A.V. (5.1)].

In accordance with the Articles of Association, the Board of Directors elects from among its members the President, the Vice President, and the Managing Director.

In the event of resignation, death, or loss in any other way of the BoD membership, the remaining members may continue to manage and represent the Company without replacing the missing members, provided that the number of such members exceeds half of the number of members as they were before the occurrence of the above events and in any case, such members may not be less than three (3). Also, if a member of the Board of Directors resigns, dies, or otherwise ceases to be a member, provided that the Board of Directors has at least 3 remaining members, it may elect members to replace the ones who have resigned, died, or otherwise ceased to be members.

The Company has not adopted a diversity policy, including gender balance for its Board members and senior management. Notwithstanding, the Company encourages a generally safe and healthy work environment, free of discrimination, harassment, or retaliation. All employment-related decisions are based on the individual qualifications, performance, and conduct of associates. The Company does not discriminate or permit harassment based on factors such as race, color, religion, ancestry, gender, age, disability, marital status, or any other characteristic protected by law and efforts are made to make all employment decisions (which include but are not limited to those related to hiring, promotion, training, pay and benefits, transfers, disciplinary offenses, dismissal, etc.) shall be free of any unlawful discrimination.

9.2.b. Current Board and its term of office

The current Board of Directors consists of five (5) members, executive and non-executive ones. Given that the size and structure of the Company do not justify the need to comply with the numerical limits of the Code, the number of non-executive members of the Board is not less than 1/3 of the total number of members, and at least two (2) of them are independent members, within the meaning of article 4 of Law 3016/2002 [Special Code Practice: A.II. (2.2) - (2.3)].

Furthermore, the independent non-executive members of the Board of Directors meet the minimum requirements of Law 3016/2002 as regards their independence, as well as the restrictions set out in the Code concerning the independence of the members of the Board of Directors.

The members of the Board of Directors do not participate in the boards of directors of other listed companies, nor do they have any other significant professional commitments.

The Ordinary General Meeting of the shareholders of 30.06.2017, elected a new Board of Directors, due to the imminent expiration of the previous one's term of office on 12.10.2017, for the next five years. The new Board of Directors was constituted and its representation was appointed on the same day, i.e. 30.06.2017. The said resolution for the election of the new Board of Directors dated 30.06.2017 was registered under registration code 1120301 in the

General Electronic Commercial Registry (G.E.MI.)/General Market Department/Directorate of Companies & G.E.MI. /Division of Listed Companies & Sports Companies and was ratified by notice No. 845096/19.07.2017.

Following the above, the composition of the Board of Directors is as follows:

<u>Full name</u>	<u>Status</u>	<u>Term of office (from-to)</u>
Athanasios Sipsas	President of the Board, Executive Member	30.06.2017 – 30.06.2022
Konstantinos Stoumpos	Vice-President of the Board & Managing Director, Executive Member	30.06.2017 – 30.06.2022
Georgios Pliatsikas	Independent Non-Executive Member	30.06.2017 – 30.06.2022
Androniki Ioannidou	Non-Executive Member	30.06.2017 – 30.06.2022
Aristides Papadopoulos	Independent Non-Executive Member	30.06.2017 – 30.06.2022

The CVs of the members of the Board of Directors are posted on the Company's website www.ekter.gr

9.2.c. Responsibilities of the Board of Directors - Evaluation

There are no rules of procedure for the Board of Directors as the provisions of the Company's Articles of Association and the regulations of the applicable legislation are assessed as sufficient for the organization and general operation of the Board.

The Board of Directors is the highest management body of the Company and its mission is to fulfill the Company's purpose and constantly strive to enhance the long-term financial value of the Company and defend the general corporate interest.

The Board of Directors shall proceed collectively with all acts relating to the administration, management, and representation of the Company, except in cases that fall within the exclusive competence of the General Meeting based on the law. In accordance with the Articles of Association, the Board of Directors may, by resolution, directly delegate the representation of

the Company for certain acts to other members of the Board of Directors, employees of the Company, or third parties.

No explicit distinction is established between the powers of the Executive President and the Vice President and Managing Director, as it is not considered appropriate due to the size of the Company, Moreover, the Vice-President, who was not appointed from among the independent members, has executive functions, as it was assessed as preferable for the Company to have the Vice-President support/replace the President in the exercise of executive functions [Special Code Practice: A.III. (3.1) & A.II. (3.3) & A.II. (3.4)].

The current representation of the Company was decided at the Board of Directors' meeting held on 30.06.2017. The Company is represented and bound in accordance with the specifics stated in the relevant minutes of the Board of Directors' meeting of 30.06.2017 by the President of the Board of Directors, Mr. Athanasios Sipsas and, in case of his absence or impediment, by the Vice President of the Board of Directors and Director Mr. Konstantinos Stumpos, each acting individually.

In addition, the Board of Directors has not adopted a calendar of meetings and a 12-month action plan, as the members of the Board are all residents of Athens and are therefore available for Board meetings whenever the needs of the Company so dictate or the law so requires, without the need for a predetermined schedule. Furthermore, no Company Secretary has been appointed, but the relevant essential functions are provided by the Company's secretarial structure and other services, to which all members of the Board and committees have access. Similarly, the creation of introductory briefing programs for new Board members has not been ensured, because people with adequate and proven experience in the management and operational needs of the Company and with sufficient management skills and knowledge are proposed for election, and any issue that arises is discussed at length in the Board meetings. In addition, the possibility of hiring external consultants to provide any necessary support and information is provided [Special Code Practice: A.VI. (6.1) - (6.3) & A. VI. (6.5)].

The table below shows the frequency of attendance of each Board member in 2019.

FULL NAME	NUMBER OF MEETINGS HELD DURING 2019	NUMBER OF MEETINGS ATTENDED IN PERSON	NUMBER OF MEETINGS ATTENDED BY DELEGATION
Athanasios Sipsas	56	56	---
Konstantinos Stoumpos	56	56	---
Androniki Ioannidou	56	56	---
Aristides Papadopoulos	56	56	---
Georgios Pliatsikas	56	56	---

The work of the Board of Directors is evaluated directly by the General Meeting during the discussion for the approval of the acts and decisions of the Board of Directors and its discharge from liability for compensation at the Ordinary General Meeting of each year. Apart from this, the Company has not adopted any other institutionalized evaluation procedure since it considers the General Meeting to be the most appropriate body [Special Code Practice: A.VII. (7.1) - (7.3)].

9.2.d Committees

The Company has only established an Audit Committee from the members of the Board of Directors.

Due to the size and organization of the Company, it was not deemed necessary at this time to establish a Nomination and Remuneration Committee.

This is because as far as nominations for the election of new members to the Board of Directors are concerned, they can be proposed by any member of the Board, who undertakes to make a detailed presentation to the other members of the training and qualifications of the candidate member whom he/she proposes, while the General Meeting decides on the election of the members of the Board of Directors and assesses the independence of the candidates for independent directors [Special Code Practice: A.II (2.4) & A.V. (5.4) – (5.6)].

Also, with regard to the Company's policy with respect to the remuneration of executive directors and senior executives, said policy is stable and set and is directly linked to the corporate strategy, corporate objectives, and their realization, with the ultimate goal of creating long-term value for the Company. The remuneration of the non-executive directors reflects their length of service with the Company and the scope of their duties. [Special Code Practice: A.I. (1.2.)].

All remuneration of executive and non-executive directors shall be approved by the General Meeting of Shareholders upon the recommendation of the Board of Directors.

The above safeguards make it unnecessary to establish such a committee.

Audit Committee

The Audit Committee is appointed by the General Meeting and is composed of at least two (2) non-executive and one independent non-executive member of the Board of Directors. The independent non-executive member of the Board of Directors must have a proven and sufficient knowledge of accounting and auditing.

The term of office of the Committee shall in principle follow the term of office of the members of the Board of Directors unless the General Meeting decides otherwise. The Audit Committee shall meet at least four (4) times a year and may be convened at the request of the Internal Audit Service or the external auditors.

During the ended financial year (2019), the Audit Committee met four (4) times and submitted its reports to the Board of Directors, and all members were present at these meetings.

The Audit Committee, through its President, reports to the Board of Directors, and its main responsibilities, as referred to in Law 3693/2008, are as follows:

- Monitoring the financial reporting process,
- Monitoring the effective operation of the internal audit system and the risk management system, as well as monitoring the proper functioning of the Company's internal auditor's unit,

- Monitoring of the progress of the statutory audit of the individual and consolidated financial statements,
- The review and monitoring of issues related to the existence and maintenance of the objectivity and independence of the external auditors, particularly about the provision of other services to the Company by the external auditors.

The composition of the Audit Committee was changed after its re-election at the Ordinary General Meeting of the company's shareholders on 30.06.2017 and consists of the independent non-executive members of the Board of Directors Mr. Aristides Papadopoulos and the non-executive member Mrs. Androniki Ioannidou, Mr. Georgios Pliatsikas was appointed as the new President of the Audit Committee and his term of office follows that of the Board of Directors, i.e. it is five years and is extended until the Ordinary General Meeting that will be convened immediately after the expiry of his term of office on 30/06/2022.

There are no specific rules of procedure for the Audit Committee, as the duties and responsibilities of the Committee are sufficiently defined in the relevant legal regulations.

9.3. General Meeting & Shareholders' Rights

9.3.a. Convening — Meetings — Powers

The General Meeting of Shareholders is the supreme body of the Company and is entitled to make general decisions on all corporate matters. In accordance with Law 4548/2018 and the Articles of Association, the General Meeting has exclusive competence to decide on:

- a) amendments to the Articles of Association,
- b) the election of members of the Board of Directors and auditors,
- c) the approval of the company's balance sheet,
- d) the approval of the annual profits,
- e) the merger, division, conversion, revival, extension of the duration or dissolution of the

company; and

f) the appointment of liquidators.

The issues of the convocation, constitution and conduct of the General Meetings of the Company's shareholders are regulated by the relevant provisions of Law 4548/2018.

Under the Articles of Association, the President of the Board of Directors and, in case of his/her absence, his/her deputy, and in case of his/her absence, the eldest of the members of the Board of Directors present presides temporarily over the General Meeting of Shareholders and elects the Secretary from among the shareholders present until the list of shareholders entitled to participate in the General Meeting has been ratified by the General Meeting, which elects the definitive Bureau consisting of the President and a Secretary who also acts as a teller.

The President of the Board of Directors, the Vice-President, the Internal Auditor, and the Statutory Auditor shall be present at General Meetings to provide fuller information and explanations on matters within their competence to the shareholders present if requested, and sufficient time shall be provided for questions to be asked.

About the information of shareholders and the investing public regarding the decisions of the General Meetings, as well as any corporate event which, according to the Athens Exchange Regulations and the institutional framework governing the conduct of listed companies, must be disclosed, the Company will immediately make an announcement in Greek. The ownership structure of the Company and its size do not require that information about General Meetings to be published in English as well.

9.3.b. Shareholders' rights & manner of exercise thereof

The Company has issued ordinary registered shares listed for trading on the Stock Exchange and registered in an intangible form in the records of the Intangible Securities System (S.A.T. in Greek). There are no special rights in favor of specific shareholders.

The acquisition of shares of the Company automatically implies the acceptance of its Articles of Association and the legal decisions of its competent bodies.

Each share confers rights in proportion to the percentage of the share capital represented by it. The liability of shareholders is limited respectively to the nominal value of the shares they hold. In the case of co-ownership of a share, the rights of co-owners shall be exercised only by a common representative of the co-owners. The co-owners are jointly and severally liable for the fulfillment of the obligations arising from the common share.

Each share of the Company incorporates all the rights and obligations established by Law 4548/2018 and its Articles of Association, and in particular:

- The right to participate and vote in the General Meeting.
- The right to the dividend from the Company's profits.
- The right to the proceeds of the liquidation or, respectively, the capital amortization corresponding to the share, if so decided by the General Meeting. The General Meeting of the Company's shareholders retains all its rights during the liquidation.
- The right of pre-emption on any increase in the Company's share capital carried out in cash and the issue of new shares, as well as the right of pre-emption on any issue of convertible bonds unless otherwise decided by the General Meeting approving the increase.
- The right to receive a copy of the financial statements and the reports of the auditors and the Board of Directors of the Company.
- The rights of minority shareholders are set out below.

The possibility to participate in the General Meeting and exercise voting rights by electronic means or by correspondence is not provided. There is also no statutory provision allowing for the appointment and withdrawal of a proxy to be notified by electronic means.

Prior to each General Meeting, the information of par. 3, 4 and 5, Article 123 Law 4548/2018, including the invitations to the General Meetings, the procedure for exercising voting rights by proxy, the forms for the appointment and withdrawal of proxies, the draft resolutions on agenda items, as well as more complete information on the exercise of minority rights pursuant to article 141 of Law 4548/2018 are available in hard copy at the Company's Shareholders' Service Department (15 Nikis Street, Athens 10557), where shareholders can obtain copies.

Also, all the above documents, the total number of existing shares, and voting rights are available in electronic form on the Company's website (www.ekter.gr)

9.3.c. Minority Rights

The minority rights provided for in Article 141 of Law 4548/2018 are granted:

Shareholders holding 1/20 of the share capital and voting rights are entitled to make the following requests and the Company is obliged to satisfy them (subject to the conditions stipulated by law):

- Request to the Board of Directors of the Company to convene an Extraordinary General Meeting of shareholders.
- Request to the Company's Board of Directors for the inclusion of an additional item on the agenda of a General Meeting of Shareholders already convened.
- Request to the Company's Board of Directors with draft resolutions on items included in the original or any revised agenda of a general meeting.
- Request to the President of the General Meeting to postpone for one time only the adoption of resolutions of the General Meeting.
- Request that the decision on any item on the agenda of the General Meeting be taken by roll call.
- Request for the Company to be audited by the competent court of the district in which the Company is domiciled.
- Request to the Board of Directors to announce at a forthcoming Ordinary General Meeting the amounts paid, during the last two years, to each member of the Board of Directors or the directors of the Company and any benefit to such persons from any cause or contract of the Company with them.

Shareholders holding 1/10 of the share capital and voting rights are entitled to request the Board of Directors to provide the forthcoming Ordinary General Meeting with information on the progress of corporate affairs and the Company's assets and liabilities.

Shareholders holding at least 1/20th of the share capital and voting rights are entitled to request the court to control the Company, if it is suspected that acts are in violation of the provisions of the law or the Company's Articles of Association or resolutions of the General Meeting.

Shareholders holding 1/5 of the share capital and voting rights are entitled to request the court to audit the Company, if from the overall course of corporate affairs and on the basis of specific indications, it becomes credible that the management of corporate affairs is not being conducted as required by good and prudent management.

Shareholders representing two percent (2/100) of the paid-up share capital may request the court to annul a resolution of the General Meeting of Shareholders, which was taken without providing due information requested by shareholders in the exercise of minority rights or abuse of majority power.

Shareholders representing one twentieth (1/20) of the paid-up share capital may request the Board of Directors or the liquidators of the Company to pursue all claims of the Company against the members of the Board of Directors arising from the management of corporate affairs.

Shareholders representing one-third (1/3) of the paid-up share capital may request the competent court to dissolve the Company if there is an important reason for this, which, in an obvious manner, makes the continuation of the Company impossible.

Any shareholder may request the Board of Directors to provide at a forthcoming General Meeting the specific information requested on the affairs of the Company, to the extent that this information is useful for the actual assessment of the items on the agenda.

Any shareholder may request from the Board of Directors, at any time, information on the amount of the Company's capital, the classes of shares issued and the number of shares of each class, particularly preference shares, with the rights conferred by each class, as well as any reserved shares, both as regards their number and the restrictions provided for. The shareholder shall also be entitled to be informed of the number and type of shares held by him,

as shown in the register of shareholders.

9.4. Internal audit and Risk Management Matters

9.4.a. Internal audit

In accordance with the Company's Internal Regulations, the Company's internal audit system consists of the Audit Committee, referred to above, and the Internal Audit Department.

The Internal Audit Department is an independent organizational unit of the Company. The Internal Auditors are appointed by the Board of Directors and the Internal Auditor reports to the Audit Committee and the Board of Directors. The Internal Auditor, Mr. Eleftherios Lambridis, was appointed by the Board of Directors' decision of 18.5.2009 and he remained in his position until 31/12/2019. In January 2020 he was replaced by Mr. Alexandros Nakos.

The Audit Committee holds at least two (2) meetings per year with the Internal Auditor, who additionally submits to the Committee and the Board of Directors at least once (1) a year a letter of recommendations, if he identifies any weaknesses in the internal audit system, indicating proposals for their remediation.

The primary purpose of the Internal Auditor is to continuously monitor the operation of the Company to assess the adequacy and effectiveness of the Company's internal audit points, as well as to prevent and manage risks associated with the operation of the Company. The objective is to ensure the Company's lawful operation, compliance with the procedures and guidelines of the Management, the safeguarding of the Company's assets, and the ability to take timely corrective action to prevent or suppress actions that may jeopardize its operation.

The Board of Directors and the management of the Company shall provide the internal auditors with all the necessary means to facilitate the exercise of appropriate and effective internal audit. In the performance of their duties, the internal auditors shall be entitled to inspect any book, document, record, bank account, and portfolio of the Company and to have access to any of the Company's services.

The Company's elected auditors for the financial year 2019, the audit firm “Audit Opinion Statutory Auditors Ltd”, did not provide any other non-audit services to the Company and the Group during the financial year.

9.4.b. Risk Management

The Company and the Group companies are exposed to the normal financial risks inherent in the operation of similar businesses, such as market, foreign exchange, credit, liquidity, cash flow, and fair value risks from changes in interest rates. The Board of Directors provides written instructions and guidelines for the general management of risks, as well as specific instructions for the management of specific risks, in particular liquidity risks.

Market risk

Given that historically almost all of the Company's revenues are derived from construction activity within the territory with the Greek State as the main client, the main external risk factor is the demand for public works, as expressed by tendering and award rates. The detection of any failure in the initial design is immediately communicated to the contracting - supervising authority of the project in question, in order to modify the contract accordingly, with the approval of a corresponding Summary Table of Works (STW).

In recent years, due to the decrease in public works tenders, the company has turned more actively to the undertaking of private projects of significant budget, for which it maintains the above-mentioned communication with the developer, in order to ensure that the company is adequately compensated for failures of the original design or unforeseen works.

The negative situation in the Construction Industry has not led the Group to grant excessive discounts in the limited tenders that are held to ensure that the project can be completed following the relevant specifications. Under no circumstances will the Group proceed to take actions that may damage its positive reputation in the construction industry based on its work.

The management believes that in the coming period, actions will become apparent, mainly through the public sector bodies, which will determine the developments in the market. Until

these are realized, the Group maintains a wait-and-see attitude by keeping inelastic costs to a minimum and by being vigilant in exploiting opportunities.

The level of work in progress ensures activity for the Group over more than two years. The effort to undertake new projects is continuous and uninterrupted and is expressed through the Group's participation in tenders that are put out to tender.

Exchange rate risk

For several years, the Group did not operate in a foreign country, so there were no foreign exchange risks, except for the limited foreign exchange risk from short-term supplies from third countries, which were occasional and very limited in scope, and consequently, the risk was considered negligible.

In the last quarter of 2017, the Group started its operations in Romania through a subsidiary, whose financing by the parent company is in EURO, while the general risk from the change in the exchange rate between the EURO and the RON is maintained (Exchange rate at 31/12/2019: 4,7830 RON/EURO). Due to the controlled scope of this operation, the exposure to this risk is considered limited.

Credit and liquidity risk

Concerning its receivables, the Company does not face significant concentrations of credit risk at the level of its Debtors or Customers, beyond the provisions made, which are detailed by category of receivables in the notes to the financial statements. Given that historically the Company's main customer is the Greek State, while the other project customers are companies of proven financial standing, apart from any arrears, the receivables are expected to be satisfied in full. Also, other sales are derived from contracts that include sufficient guarantees for full payment of the price at the specified time.

In order to ensure the proper operation of the Group, the Group, in almost all cases, settles its liabilities to suppliers and subcontractors at the time of collection of the corresponding receivables generated from projects and other activities.

For receivables that are likely to be overdue, collateral is requested and interest on arrears is calculated.

It should be noted that any significant delays in collections exacerbate liquidity risk. To ensure the required liquidity, the Group maintains approved credit limits from Greek banking institutions.

Cash flow risk and fair value risk due to interest rate fluctuations

The Company's operating income and cash inflows are materially unaffected by changes in interest rates because they are derived from domestic projects which are determined by fixed value construction contracts and are therefore denominated in the domestic currency, which is subject to an environment of monetary stability and relatively low inflation.

The Group, following the repayment in July 2015 of the Parent Bank's Piraeus Bank amortizing loan, did not have a loan liability until 22/03/2019. From that date onwards, a loan disbursement was made in instalments, amounting to € 2,500,000.00 as of 31/12/2019.

Within the framework of the signed contracts, advances are received from customers, which may, under the relevant contracts, be interest-bearing with the interest rate determined to be equal to the 12-month interest rates for banknotes margin of 0.25%, when it concerns a public project.

In any case, the Board of Directors carries out an annual review of the corporate strategy, the main business risks, and the internal audit systems.

9.4.c. Alternative Performance Measurement Indicators (APMI)

From the analysis of the Group's activity, no APMIs were identified that are considered appropriate and useful for decision-making by users. The Group's financial information that is recorded in detail in the financial statements is sufficient for any further analysis by users.

9.5. Remuneration of members of the Board of Directors:

The remuneration of the President, Vice President, and non-executive members of the Board of Directors is approved by the Ordinary General Meeting following the approval of the

Company's annual financial statements and the actions and resolutions of the Board of Directors.

The Company complies with the Remuneration Policy, approved by resolution of the General Meeting of Shareholders on 28.06.2019, effective for four (4) years.

The corporate policy in the area of remuneration of the executive members and key management personnel of the Company takes into account both their qualifications and contribution and the importance of attracting and retaining them in the Company and, of course, the market conditions. Except for the remuneration approved by the General Meeting and remuneration under Service Contracts, there are no other compensation or share benefits or share rights for the executive directors and executives of the Company.

In determining their remuneration, the General Meeting takes into account the time available for meetings and the performance of the duties assigned to them.

No member of the Board of Directors is linked to the Company by a dependent employment relationship and does not receive remuneration on this account.

The Ordinary General Meeting (OGM) of the Company's shareholders on 28.06.2019 approved the remuneration of the members of the Board of Directors for the financial year 2018 for € 494,355.72, pre-approved by the 2018 OGM, and pre-approved the remuneration of the Board of Directors for the financial year 2018 in the amount of € 495,854.76, which will be finally approved at the next OGM. The fees for the current financial year are stated in note 4 of the Financial Statements.

9.6. Deviations from the Corporate Governance Code and justifications

There are references in the individual chapters of this statement, to which we refer to avoid repetition.

9.7. Information under Article 10, par. 1 (c), (d), (f), (h), and (i) of Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids.

- The information required under point (c) of paragraph (c) of Article 10 of Directive 2004/25/EC concerning significant direct or indirect shareholdings (including indirect shareholdings through pyramid structures or cross-shareholdings) within the meaning of Article 85 of Directive 2001/34/EC, shall be included in the part of the annual report referred to in the additional information of Article 4 par. 7 of Law 3556/2007.
- About the information required under point (d) par. 1 of Article 10 of Directive 2004/25/EC, there are no securities of the Company which gives special control rights to the holders.
- About the information required under point (f) par. 1 of Article 10 of Directive 2004/25/EC, there is no restriction of any kind on voting rights.
- About the information required under point (h) par. 1 of Article 10 of Directive 2004/25/EC, the provisions of the Company's Articles of Association for the appointment and replacement of members of its Board of Directors and the amendment of its Articles of Association do not differ from those provided for in Law 4548/2018.
- The information required under point (i) par.1 of Article 10 of Directive 2004/25/EC concerning the powers of the members of the Board of Directors, in particular with regard to the possibility of issuing or repurchasing shares, shall be included in the part of the Annual Report referred to in the additional information of Article 4 par. 7 of Law 3556/2007.

9.8. Report of the Board of Directors according to paragraph 7 of Article 4 of Law 3556/2007

This report of the Board of Directors contains detailed information on the matters referred to in paragraph 7 of article 4 of Law 3556/2007 and will be submitted, as per paragraph 8 of the same article, to the Ordinary General Meeting of Shareholders of the Company.

9.8.a. Structure of the Company's share capital

The share capital of the Company amounts to € 5,850,000.00, divided into 11,250,000 common nominal shares with a nominal value of € 0.52 each. All shares are common nominal shares with voting rights, listed for trading on the Athens Stock Exchange.

9.8.b. Restrictions on the transfer of the company's shares

The transfer of the Company's shares is made as required by law and there are no restrictions on transfer by the Company's Articles of Association.

9.8.c. Significant direct or indirect shareholdings within the meaning of the provisions of articles 9 to 11 of Law 3556/2007.

As of 31.12.2018, the following shareholders held more than 5% of the total voting rights of EKTEP S.A.:

- NIKIAS S.A., direct share of 21,320%
- POLYKRATIS SA, direct share of 13,183%
- Papageorgiou Angelos, direct share of 8,462%

9.8.d. Holders of all types of shares conferring special control rights

There are no holders of any kind of securities conferring special control rights.

9.8.e. Restrictions on voting rights

There are no restrictions on voting rights arising from the company's shares in the company's Articles of Association. The conduct of General Meetings of the company's shareholders is regulated by the relevant provisions of Law 4548/2018 as amended.

9.8.f. Agreements between the shareholders of the company

The Company is not aware of any agreements between its shareholders that entail restrictions on the transfer of its shares or the exercise of voting rights arising from its shares.

9.8.g. Rules for appointment and replacement of members of the Board of Directors and amendment of the Articles of Association

The rules provided by the Company's Articles of Association regarding the appointment and replacement of members of its Board of Directors and amendments to the Articles of Association do not differ from those provided by the provisions of Law 4548/2018.

9.8.h. Authority of the Board of Directors or some of its members to issue new shares or purchase own shares.

No such authorizations existed during the financial year under review, nor have they been granted to date.

9.8.i. A significant agreement entered into by the Company that comes into force is amended or expires in the event of a change in control of the Company following a public offer and the effects of such agreement.

There are no agreements that become effective, are amended, or expire in the event of a change in control of the Company following a public offer.

9.8.j. Agreements with Directors or employees of the Company that provide for compensation in the event of resignation or dismissal without just cause or termination of their term of office or employment as a result of the public offering

The Company has no agreements with members of its Board of Directors or its personnel that provide for the payment of compensation specifically in the event of resignation or dismissal without just cause or termination of their term of office or employment due to a public offering.

The Board of Directors

III. AUDIT REPORT OF THE INDEPENDENT AUDITOR

To the Shareholders of EKTER S.A.

To the Shareholders of “EKTER S.A.”

Audit Report on the Corporate and Consolidated Financial Statements

Opinion

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

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of the financial position of “EKTER S.A.” and its subsidiaries (the Group) as of 31 December 2019, their financial performance and their consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISA) as incorporated into Greek Law. Our responsibilities under those standards are further described in the module of our report entitled "Auditor's Responsibilities for the Audit of the Company and Consolidated Financial Statements" We have been independent of the Company and its consolidated subsidiaries throughout our appointment in accordance with the Code of Ethics for Professional Accountants of the Council on International Standards on Auditing Ethics as incorporated into Greek law and the ethical requirements related to the audit of the corporate and consolidated financial statements in Greece and have fulfilled our ethical obligations in accordance with the requirements of applicable law and the aforementioned Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Major audit issues

The most significant audit matters are those matters that, in our professional judgment, were of major significance in our audit of the current year's corporate and consolidated financial

statements. Those matters and the related risks of material misstatement were considered in the context of our audit of the corporate and consolidated financial statements taken as a whole in forming our opinion on them and we do not express a separate opinion on those matters.

Major audit issues	How the major audit matters were addressed in our audit
Recognition of revenue from construction contracts	
<p>The Group's revenue for the year ended 31 December 2019 amounted to €20,114,152.59 (€22,756,890.20 for the year ended 31 December 2018), and mainly includes revenue from construction contracts (2017: € 19.114.152,59, 2018: € 22,625,106.75) for the Company.</p> <p>The accounting recognition of revenue from the execution of construction contracts is based on significant judgments and estimates made by the Management, with a high degree of uncertainty.</p> <p>Possible future changes in accounting estimates may lead to significant changes in both the revenue recognized and the related profitability.</p> <p>In particular, revenue from construction contracts is recognized over time and as performance commitments are fulfilled and its recognition requires estimates and judgments concerning the following:</p> <ul style="list-style-type: none"> • the recognition of performance obligations and the point in time when they are fulfilled, • the allocation of the transaction price (contract price) to the performance obligations, • the determination of the total costs to completion, • any revisions of the budgeted execution costs, 	<p>The key audit procedures we performed included but were not limited to:</p> <ul style="list-style-type: none"> • Understanding, recording, and evaluating the Group's procedures for recognizing revenue from construction contracts and assessing the effectiveness of their design. • The audit of construction contracts to assess significant and complex areas of the contracts and the proper accounting recognition of these contracts following the accounting principles and methods followed. <p>For the above audit we performed the following procedures:</p> <ul style="list-style-type: none"> • recording and understanding the key terms of the contracts to identify and confirm, on a project-by-project basis, the performance commitments and the point in time at which they are fulfilled, as well as the method of allocating the transaction price to the individual performance commitments. • comparison of actual results per construction contract with approved budgets and historical accounting data in order to assess the degree of reliability of management's judgments and estimates. • confirming, on a sample basis, the completeness and accuracy of the costs and other expenses incurred in fulfilling performance commitments and

<ul style="list-style-type: none">• the likelihood of the client's approval of any claims for compensation and incentives. <p>The Group's and the Company's disclosures on the accounting for revenue from construction contracts are included in notes 8.18, 9.2, 9.3, 9.13 and 9.19 of the financial statements.</p>	<p>correlating them with the projects/contracts concerned, by obtaining the corresponding invoices, contracts, and other supporting documents.</p> <ul style="list-style-type: none">• recalculation of the rate of the fulfillment of the performance commitments based on the actual costs incurred.• review of subsequent events, on a construction contract by construction contract basis, in order to assess the progress of the project and management's judgments in this regard. <p>In addition, we assessed the adequacy and appropriateness of the related disclosures in the financial statements.</p>
--	---

Other information

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

Our opinion on the corporate and consolidated financial statements does not cover other information and we do not express in this opinion any form of assurance conclusion on them.

In connection with our audit of the corporate and consolidated financial statements, our responsibility is to read the Other Information and in doing so, to consider whether the Other Information is materially inconsistent with the corporate and consolidated financial statements or with knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement in such other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance over the corporate and consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs as adopted by the European Union, and for such

internal audit as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the corporate and consolidated financial statements, the Management is responsible for assessing the Company's and the Group's ability to continue their operations, disclosing, where applicable, matters relating to continuing operations, and the use of the going concern basis of accounting, unless the Management either intends to liquidate the Company and the Group or to discontinue operations or has no other realistic intention to do so, or has no other realistic intention to do so.

The Audit Committee (article 44 of Law 4449/2017) of the Company is responsible for overseeing the financial reporting process of the Company and the Group.

Responsibilities of the auditor for the audit of the corporate and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the corporate and consolidated financial statements, taken as a whole, are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes an opinion. Reasonable assurance is a high-level assurance, but it is not a guarantee that an audit performed following the ISAs, as incorporated into Greek law, will always detect a material misstatement when it occurs. Errors may arise from fraud or error and are considered material when, individually or in the aggregate, they could reasonably be expected to affect the financial decisions of users taken on the basis of these consolidated and consolidated financial statements.

As an audit task, in accordance with the ISAs as incorporated into Greek law, we exercise professional judgment and maintain professional skepticism throughout the audit. Also:

- We identify and evaluate the risks of material misstatement of the corporate and consolidated financial statements, whether due to fraud or error, by designing and performing audit procedures that are appropriate 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 due to fraud is higher than that due to error, as fraud may involve collusion, forgery, intentional omissions, false assurances, or circumvention of internal audits.
- We understand the internal audit relevant to the audit 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 the Group's internal audit.
- We evaluate the appropriateness of accounting principles and methods used and the reasonableness of accounting estimates and related disclosures made by the

Management.

- We express an opinion on the appropriateness of the Management's accounting principle and on the basis of the audit evidence obtained as to whether there is any material uncertainty about events or circumstances that may indicate a material uncertainty about the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required in the auditor's report to draw attention to the relevant disclosures in the corporate and consolidated financial statements or, if those disclosures are inadequate, to differentiate our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or circumstances may result in the Company and the Group ceasing to operate as a going concern.
- We evaluate the overall presentation, structure, and content of the corporate and consolidated financial statements, including disclosures, and whether the corporate and consolidated financial statements present the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the financial reporting of the entities or business activities within the Group to form an opinion on the corporate and consolidated financial statements. We are responsible for the direction, supervision, and performance of the audit of the Company and its subsidiaries. We remain solely responsible for our audit opinion.

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

In addition, we represent to those charged with governance that we have complied with the relevant ethical requirements on independence and disclose to them all relationships and other matters that may reasonably be considered to affect our independence and related safeguards, where applicable.

Of the matters disclosed to those charged with governance, we identify those matters that were significant to the audit of the current period's corporate and consolidated financial statements and are therefore the most significant audit matters.

Report on Other Legal and Regulatory Requirements

1. Management Report of the Board of Directors

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

- a) The Management Report of the Board of Directors includes a Corporate Governance Statement, which provides the information specified in Article 152 of Law 4548/2018.

In our opinion, the Management Report of the Board of Directors has been prepared in accordance with the applicable legal requirements of Article 150 and paragraph 1 (cases c and d) of Article 152 of Law 4548/2018 and its content corresponds to the attached financial statements for the financial year ended 31/12/2019.

- c) Based on the knowledge we obtained during our audit, for EKTER S.A. and its environment, we have not identified any material misstatements in the Management Report of the Board of Directors.

2. Supplementary Report to the Audit Committee

Our opinion on the accompanying financial statements is consistent with our Supplementary Report to the Audit Committee of the Company, as required by Article 11 of the European Union Regulation (EU) No. 537/2014.

3. Provision of Non-Audit Services

We did not provide the Company and its subsidiaries with non-audit services prohibited under Article 5 of Regulation (EU) 537/2014 of the European Union or other permitted non-audit services.

4. Appointment of Auditor

We were appointed for the first time as Auditors of the Company by the resolution of the Annual General Meeting of Shareholders held on 28/06/2018. Since then, our appointment has been continuously renewed for a total period of 2 years based on the resolutions passed annually at the annual general meeting of the shareholders.

Moschato, 25 June 2020

**AUDIT
OPINION**

[signature]

DIMITRIOS N. DROSSOS

STATUTORY AUDITOR

ICPA (GR) Reg. No 31371 - ELTE 1264

AUDIT OPINION Ltd ICPA (GR) Reg. No 175 - ELTE 043

79 CHRYSOSTOMOU SMYRNIIS STREET, MOSCHATO, ATTICA

IV. FINANCIAL STATEMENTS

A. ELEMENTS OF THE STATEMENT OF FINANCIAL POSITION

Summary Published Form

ASSETS	Note (CHAP. 9)	GROUP		COMPANY	
		31-12-19	31-12-18	31-12-19	31-12-18
Property, plant and equipment used by company itself	10	355,555.25	354,076.23	352,221.52	340,502.19
Investment property	10	7,891,000.00	7,891,000.00	7,829,000.00	7,829,000.00
Intangible assets	10	1.17	1.17	1.17	1.17
Other non-current assets	15	3,476,696.69	2,897,923.10	3,779,361.88	3,148,920.86
Inventories-Receivables from project execution	13	1,424,721.42	2,908,281.04	1,424,721.42	2,908,281.04
Trade receivables	14	6,861,547.84	2,466,167.15	6,860,431.84	2,462,819.15
Other current assets	15	3,543,672.96	5,599,143.66	3,057,834.39	5,032,332.04
Cash & cash equivalents	16	501,117.95	6,834,919.07	461,827.36	6,793,760.51
TOTAL ASSETS		24,054,313.28	28,951,511.42	23,765,399.58	28,515,616.96
EQUITY AND LIABILITIES					
Share Capital	22	5,850,000.00	5,850,000.00	5,850,000.00	5,850,000.00
Other equity items	22	12,156,974.26	14,216,461.18	11,755,073.90	13,723,572.81
Total equity of parent company owners (a)		18,006,974.26	20,066,461.18	17,605,073.90	19,573,572.81
Long-term debt liabilities	18	0.00	0.00	0.00	0.00
Provisions / Other long-term liabilities	17	301,976.75	278,236.91	301,945.55	278,208.15
Other short-term liabilities	18	2,500,000.00	0.00	2,500,000.00	0.00
Total liabilities (b)	19	3,245,362.27	8,606,813.33	3,358,380.13	8,663,836.00
TOTAL EQUITY AND LIABILITIES		6,047,339.02	8,885,050.24	6,160,325.68	8,942,044.15
		24,054,313.28	28,951,511.42	23,765,399.58	28,515,616.96

The notes on pages 39 to 87 form an integral part of these annual financial statements.

B. STATEMENT OF COMPREHENSIVE INCOME

ELEMENTS OF THE STATEMENT FOR THE PROFIT AND LOSS ACCOUNT FOR THE PERIOD	Note (CHAP .9)	GROUP		COMPANY	
		<u>1/1-31/12/2019</u>	<u>1/1-31/12/2018</u>	<u>1/1-31/12/2019</u>	<u>1/1-31/12/2018</u>
Turnover	2	20,114,152.59	22,756,890.20	20,114,152.59	22,756,890.20
Cost of sales	3	-21,365,844.99	-19,676,518.72	-21,365,844.99	-19,676,518.72
Gross profit		-1,251,692.40	3,080,371.48	-1,251,692.40	3,080,371.48
(% of net turnover)		-6.22%	13.54%	-6.22%	13.54%
Other operating income	5	112,458.70	51,311.92	87,561.15	25,209.57
Administrative expenses	4	-1,486,062.56	-1,425,957.52	-1,420,353.00	-1,365,561.17
Other operating expenses	5	-31,237.02	-31,953.26	-6,435.21	-14,740.24
Profit/loss before tax, financial and investment result and depreciation		-2,562,362.66	1,722,735.81	-2,499,136.04	1,771,402.57
(% of total turnover)		-12.67%	7.55%	-12.37%	7.78%
Amortizations		-94,170.62	-48,963.19	-91,783.42	-46,122.93
Profit/loss before tax, financial and investment profit/loss		-2,656,533.28	1,673,772.62	-2,590,919.46	1,725,279.64
(% of total turnover)		-13.13%	7.34%	-12.83%	7.57%
Financial income	6	13,179.80	1,983.42	13,155.02	1,922.44
Financial expenses	6	-353,712.60	-352,754.82	-353,649.60	-352,683.82
Other financial results	7	735,006.73	143,658.99	805,816.20	57,349.55
Profit/(loss) before tax		-2,262,059.35	1,466,660.21	-2,125,597.84	1,431,867.81
(% of total turnover)		-11.18%	6.43%	-10.52%	6.29%
Minus taxes	8	651,246.58	-934,976.81	607,098.93	-836,319.14
Profit/(loss) after tax (A)		-1,610,812.77	531,683.40	-1,518,498.91	595,548.67
(% of total turnover)		-7.96%	2.33%	-7.52%	2.61%
Breakdown:					
Owners of Parent Company	9	-1,610,812.77	531,683.40	-1,518,498.91	595,548.67
Other comprehensive income :					
Items that may be further classified in the income statement					
Effect of exchange rates from conversion of financial statements		1,325.85	-10.25	0.00	0.00
Other comprehensive income after tax (B)		1,325.85	-10.25	0.00	0.00
Aggregated total income after tax (A)+(B)		-1,609,486.92	531,673.15	-1,518,498.91	595,548.67
Owners of Parent Company	9	-1,609,486.92	531,673.15	-1,518,498.91	595,548.67
Number of shares (pieces)		11,250,000	11,250,000	11,250,000	11,250,000
Weighted average number of shares (pieces)		11,250,000	11,250,000	11,250,000	11,250,000
Earnings after tax per share - basic		-0.1432 €	0.0473 €	-0.1350 €	0.0529 €

The notes on pages 39 to 87 form an integral part of this annual financial information.

C. STATEMENT OF CHANGES IN EQUITY

C.1. CONSOLIDATED FIGURES

EQUITY FLOW	SHARE CAPITAL	PREMIUM	OTHER RESERVES	RETAINED EARNINGS	TOTAL EQUITY
Balances 1/1/2019	5,850,000.00	8,360,843.73	6,192,189.68	-336,572.23	20,066,461.18
Aggregated total income after tax			1,325.85	-1,610,812.77	-1,609,486.92
	5,850,000.00	8,360,843.73	6,193,515.53	-1,947,385.00	18,456,974.26
Dividends Distributed			-450,000.00	0.00	-450,000.00
Balances 31/12/2019	<u>5,850,000.00</u>	<u>8,360,843.73</u>	<u>5,743,515.53</u>	<u>-1,947,385.00</u>	<u>18,006,974.26</u>

EQUITY FLOW	SHARE CAPITAL	PREMIUM	OTHER RESERVES	RETAINED EARNINGS	TOTAL EQUITY
Balances 1/1/2018	5,850,000.00	8,360,843.73	6,192,199.93	-868,255.63	19,534,788.03
Aggregated total income after tax			-10.25	531,683.40	531,673.15
	5,850,000.00	8,360,843.73	6,192,189.68	-336,572.23	20,066,461.18
Dividends Distributed			0.00	0.00	0.00
Balances 31/12/2018	<u>5,850,000.00</u>	<u>8,360,843.73</u>	<u>6,192,189.68</u>	<u>-336,572.23</u>	<u>20,066,461.18</u>

C.2. CORPORATE INFORMATION

EQUITY FLOW	SHARE CAPITAL	PREMIUM	OTHER RESERVES	RETAINED EARNINGS	TOTAL EQUITY
Balances 1/1/2019	5,850,000.00	8,360,843.73	6,192,637.30	-829,908.22	19,573,572.81
Aggregated total income after tax				-1,518,498.91	-1,518,498.91
	5,850,000.00	8,360,843.73	6,192,637.30	-2,348,407.13	18,055,073.90
Dividends Distributed			-450,000.00	0.00	-450,000.00
Balances 31/12/2019	<u>5,850,000.00</u>	<u>8,360,843.73</u>	<u>5,742,637.30</u>	<u>-2,348,407.13</u>	<u>17,605,073.90</u>

EQUITY FLOW	SHARE CAPITAL	PREMIUM	OTHER RESERVES	RETAINED EARNINGS	TOTAL EQUITY
Balances 1/1/2018	5,850,000.00	8,360,843.73	6,192,637.30	-1,425,456.89	18,978,024.14
Aggregated total income after tax				595,548.67	595,548.67
	5,850,000.00	8,360,843.73	6,192,637.30	-829,908.22	19,573,572.81
Balances 31/12/2018			0.00		0.00
	<u>5,850,000.00</u>	<u>8,360,843.73</u>	<u>6,192,637.30</u>	<u>-829,908.22</u>	<u>19,573,572.81</u>

The notes on pages 39 to 87 form an integral part of these annual financial statements.

D. CASH FLOW STATEMENT

	GROUP		COMPANY	
	<u>31-12-19</u>	<u>31-12-18</u>	<u>31-12-19</u>	<u>31-12-18</u>
<u>Operating Activities</u>				
Accounts receivable	15,074,428.16	23,917,731.23	15,077,207.15	23,892,453.96
Payments to suppliers, employees etc.	-22,705,124.78	-20,857,323.71	-22,648,000.83	-20,801,217.28
Tax payments (collection of refunds)	-88,101.47	-457,677.22	-87,971.64	-455,844.36
Interest and related expenses paid	-349,756.97	-333,072.65	-349,693.97	-333,001.65
Total inflows / (outflows) from operating activities (a)	<u>-8,068,555.06</u>	<u>2,269,657.65</u>	<u>-8,008,459.29</u>	<u>2,302,390.67</u>
<u>Investment Activities</u>				
Purchase of tangible and intangible assets	-3,088.87	-42,786.37	-12,088.87	-41,757.10
Proceeds from the sale of tangible and intangible assets	4,050.00	0.00	4,050.00	0.00
Proceeds (payments) from the sale (purchase) of investment securities	0.00	0.00	0.00	0.00
Interest received	13,179.80	1,983.42	13,155.02	1,922.44
Proceeds (payments) from equity investments, joint ventures, investment securities	-287,601.49	-281,100.00	-337,601.49	-81,900.00
Total inflows / (outflows) from investment activities (b)	<u>-273,460.56</u>	<u>-321,902.95</u>	<u>-332,485.34</u>	<u>-121,734.66</u>
<u>Financing Activities</u>				
Proceeds of from issued / received loans	2,500,000.00	0.00	2,500,000.00	0.00
Proceeds (payments) from financial leasing contracts	-44,044.37	0.00	-44,044.37	0.00
Paid dividends	-446,944.15	-5,661.30	-446,944.15	-5,661.30
Total inflows / (outflows) from financing activities (c)	<u>2,009,011.48</u>	<u>-5,661.30</u>	<u>2,009,011.48</u>	<u>-5,661.30</u>
Net increase (decrease) in cash & cash equivalents for the year (a)+(b)+(c)	<u>-6,333,004.14</u>	<u>1,942,093.40</u>	<u>-6,331,933.15</u>	<u>2,174,994.71</u>
Cash and cash equivalents at beginning of year	<u>6,834,919.07</u>	<u>4,892,860.39</u>	<u>6,793,760.51</u>	<u>4,618,765.80</u>
Effect of exchange rate differences on cash and cash equivalents	<u>-796.98</u>	<u>-34.72</u>	<u>0.00</u>	<u>0.00</u>
Cash and cash equivalents at end of year	<u>501,117.95</u>	<u>6,834,919.07</u>	<u>461,827.36</u>	<u>6,793,760.51</u>

The notes on pages 39 to 87 form an integral part of these annual financial statements.

E. NOTES TO THE FINANCIAL STATEMENTS

1. The context in which the financial statements are drawn up

The consolidated and unconsolidated financial statements of EKTER S.A. as of 31 December 2019, covering the period from 1 January to 31 December 2019, have been prepared based on:

- the historical cost principle, as modified by the revaluation of certain assets and liabilities at current values,
- the going concern principle,
- the principle of separation of functions,
- the uniformity of presentation,
- the significance of items

and comply with International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and their interpretations issued by the IASB's Interpretations Committee (IFRIC) and adopted by the European Union. These financial statements of the Company and the Group for the period 1/1-31/12/2019 have been prepared in accordance with International Financial Reporting Standards (IFRS).

These financial statements should be read in conjunction with the 2018 annual and periodic financial statements, as this provides the user with more comprehensive information.

The preparation of financial statements following IFRS requires the use of estimates and judgments in the application of accounting principles by the Company. The management uses all information available to it in preparing the financial statements and restates line items where necessary based on the principles and rules set out in the IFRS framework.

The Company and the Group were not materially affected by the COVID-19 pandemic, given that they did not suspend their production process, while the administrative services

operated in accordance with the requirements of the situation, applying modern methods of service provision, such as teleworking. The impact of delays in the supply of materials and services to the company's sites was not significant, and in any case manageable. In conclusion, up to the date of preparation of these financial statements, the pandemic has not had any financial impact on the Company and the Group.

The accounting principles followed by the Company and the Group in the preparation of the annual financial statements as of 31/12/2019 are consistent with those described in the published financial statements for the year ended 31/12/2018, after taking into account the amendments issued by the International Accounting Standards Board (IASB), adopted by the European Union and whose application is mandatory at the specific times mentioned below, where applicable:

(a) New standards, amendments, and improvements to existing standards adopted by the Group

The new standards, amendments and improvements to existing standards whose application is mandatory for annual periods beginning on or after 1 January 2019 are set out below, and which do not result in significant changes unless otherwise stated.

IFRS 9 (Amendments) “Early redemption rights with negative redemption penalties”
(effective for annual accounting periods beginning on or after 1 January 2019)

The amendments provide companies with the option if they meet a specified condition, to measure financial assets with early repayment rights and negative compensation at amortized cost or fair value through other comprehensive income instead of at fair value through profit or loss.

IFRS 16 “Leases” - (effective for annual periods beginning on or after 1 January 2019)

IFRS 16 was issued in January 2016 and replaces IAS 17. The objective of the standard is to ensure that lessees and lessors provide useful information that fairly presents the substance of transactions involving leases. IFRS 16 introduces a single model for lessee-side accounting treatment, which requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months unless the underlying asset is not of significant value. With respect to lessor accounting, IFRS 16 substantially incorporates the requirements of IAS 17. Therefore, the lessor continues to categorize leases into operating and finance leases, and applies different accounting treatments for each type of lease.

The Group applied IFRS 16 for the first time on 1 January 2019 using the modified retrospective approach. Under this approach, the Group will a) recognized a liability which it will measure at present value as a result of discounting the remaining lease payments to be paid by the incremental borrowing rate in effect at the date of initial application and b) recognized a right to use an asset by measuring that right at an amount equal to the corresponding liability recognized. After initial recognition, the Group: (a) measures the asset usage rights and amortize them at a constant rate over the term of the lease and (b) measures the corresponding liability by increasing and decreasing the outstanding balance in a manner that reflects interest and lease payments respectively. This implementation did not result in an adjustment to retained earnings as of 1 January 2019, and there was no change in comparative information. The Group additionally used the exemption provided by the standard regarding the determination of lease payments. This effectively means that the requirements of IFRS 16 have been applied to all leases that were in force on 1 January 2019 and were recognized as leases under IAS 17 and IFRIC 4. In addition, the Group used the exemptions in the standard in respect of leases with a remaining term of less than 12 months at the date of initial application of the standard and for low value asset leases.

Based on the above, an amount of right and corresponding liability of € 94.619,54 was recognized as of 1/1/2019, which relates to an amount of € 100.000,00 of the outstanding

liability of € 112.324,00 recorded in the financial statements of 31/12/2018, while the balance relates to a lease of less than 12 months.

Annual Improvements to IFRS 2014 (Cycle 2014 - 2016)

IAS 28 “Investments in affiliates and joint ventures”

The amendments clarify that when fund management entities, mutual funds, and entities with similar activities apply the option to measure interests in affiliates or joint ventures at fair value through profit or loss, this option should be made separately for each affiliate or joint venture on initial recognition.

IAS 28 (Amendments) “Long-term investments in affiliates and joint ventures” (effective for annual periods beginning on or after 1 January 2019)

The amendments clarify that entities shall account for their long-term interests in an affiliate or joint venture, to which the equity method is not applied, in accordance with IFRS 9.

IFRIC 23 “Uncertainty about the treatment of income tax matters” (effective for annual periods beginning on or after 1 January 2019)

The Interpretation guides the recognition and measurement of current and deferred income tax when there is uncertainty about the tax treatment of certain items. IFRIC 23 applies to all aspects of accounting for income tax when such uncertainty exists, including taxable profit/loss, the tax base of assets and liabilities, taxable profits and tax losses, and tax rates.

IAS 19 (Amendments) “Plan amendment, curtailment or settlement” (effective for annual financial periods beginning on or after 1 January 2019)

The amendments specify how entities should determine pension costs when changes to defined benefit pension plans take place.

Annual Improvements to IFRSs (Cycle 2015 - 2017) (effective for annual accounting periods beginning on or after 1 January 2019)

The amendments listed below include changes to four IFRSs.

IFRS 3 “Business Combinations”

The amendments clarify how an entity remeasures the interest it previously held in a jointly controlled operation when it acquires control of that operation.

IFRS 11 “Joint Arrangements”

The amendments clarify that an entity does not remeasure the interest it previously held in a jointly controlled operation when it obtains joint control of that operation.

IAS 12 “Income Taxes”

The amendments clarify that an entity shall account for all income tax consequences of dividend payments in the same way.

IAS 23 “Cost of borrowing”

The amendments clarify that an entity treats as part of general borrowing any loan incurred specifically for the development of an asset when that asset is ready for its intended use or sale.

(b) New standards, amendments, and improvements to existing standards and interpretations whose application is mandatory for periods beginning after 1 January 2019 — Except for those standards that are explicitly referenced, the Group does not expect to be significantly affected by the following changes

IFRS 17 “Insurance Contracts” (effective for annual accounting periods beginning on or after 1 January 2021)

IFRS 17 was issued in May 2017 and replaces IFRS 4. IFRS 17 establishes principles for the recognition, measurement, and presentation of insurance contracts within the scope of the standard and related disclosures. The objective of the standard is to ensure that an entity provides relevant information that presents those contracts in a fair manner. The new standard resolves the comparability problems created by IFRS 4 by requiring all insurance contracts to be accounted for in a consistent manner. Insurance liabilities will be measured at current values and not at historical cost. The standard has not yet been adopted by the European Union.

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

The new definition focuses on the concept of a return to an entity in the form of providing goods and services to customers as opposed to the previous definition which focused on returns in the form of dividends, lower costs or other economic benefits to investors and other parties.

IAS 1 and IAS 8 (Amendments) “Definition of materiality” (effective for annual financial periods beginning on or after 1 January 2020)

The amendments clarify the definition of materiality and how it should be used, supplementing the definition with guidance that was previously provided elsewhere in IFRSs. In addition, the clarifications accompanying the definition have been improved. Finally, the amendments ensure that the definition of materiality is applied consistently throughout IFRSs.

IAS 9, IAS 39 and IAS 7 (Amendments) “Restatement of benchmark interest rates” (effective for annual periods beginning on or after 1 January 2020)

The amendments change certain requirements on hedge accounting to provide guidance on the potential impact of uncertainty caused by a change in benchmark interest rates. In addition, the amendments require companies to provide additional information to investors about their hedging relationships that are directly affected by these uncertainties.

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

The amendment clarifies that liabilities are classified as current or non-current based on the rights that are in effect at the end of the reporting period. The classification is not affected by the entity's expectations or by events after the reporting date. In addition, the amendment clarifies the meaning of the term 'settlement' of a liability in IAS 1. The amendment has not yet been adopted by the European Union.

2. Information about the Company

The company “EKTER ANONYMOUS TECHNICAL - BUILDING - REAL ESTATE - HOTEL - COMMERCIAL - INDUSTRIAL COMPANY” with the distinctive title “EKTER S.A.”, was founded in 1973 (Government Gazette 1715/04.10.73) and has its registered office in the Municipality of Athens, Prefecture of Attica. The Company is registered in the Register of Public Limited Companies of the Ministry of Development under number 2147/06/B/86/06. Its headquarters are located at 15 Nikis Street, Athens, P.C. 105 57.

The company's activity falls within the construction sector and its object falls within the category “civil engineering works”, code 42, according to the analysis of the Hellenic Statistical Authority (STAKOD - 08). The Company's purpose, which was amended and expanded following the Extraordinary General Meeting of 07.11.2012, is in accordance with Article 4 of its Articles of Association, which is posted on the Company's website in its corporate profile.

In the context of its business activities, the company has established and applies a code of ethics and conduct, which is posted on its website.

Also approved by the competent department D15 of the Ministry of Public Works, the re-qualification of the company's contractor's license and the maintenance of the 6th class, for the next three years, with the expiry date of the license on 15.09.2021.

The Ordinary General Meeting of the shareholders of 30.06.2017, elected a new Board of Directors, due to the imminent expiration of the previous one's term of office on 12.10.2017, for the next five years. The new Board of Directors was constituted and its representation was appointed on the same day, i.e., 30.06.2017. The said resolution for the election of the new Board of Directors dated 30.06.2017 was registered under registration code 1120301 in the General Electronic Commercial Registry (G.E.MI.)/General Market Department/Directorate of Companies & G.E.MI. /Division of Listed Companies & Sports Companies and was ratified by notice No. 845096/19.07.2017.

Following the above, the composition of the Board of Directors is as follows:

<u>Full name</u>	<u>Status</u>	<u>Term of office (from-to)</u>
Athanasios Sipsas	President of the Board, Executive Member	30.06.2017 – 30.06.2022
Konstantinos Stoumpos	Vice-President of the Board & Managing Director, Executive Member	30.06.2017 – 30.06.2022
Georgios Pliatsikas	Independent Non-Executive Member	30.06.2017 – 30.06.2022
Androniki Ioannidou	Non-Executive Member	30.06.2017 – 30.06.2022
Aristides Papadopoulos	Independent Non-Executive Member	30.06.2017 – 30.06.2022

Based on the resolution, the term of office of the above Board of Directors may be extended until the expiry of the period within which the next Ordinary General Meeting must be convened, but may not exceed six (6) years.

3. Structure of the Group

The table below shows the company and the joint ventures included in the Company's annual financial statements for the period 1/1 - 31/12/2019, with their respective countries of domicile, the percentages of ownership, and the methods of consolidation by the parent company. The unaudited tax years of the consolidated companies and joint ventures as of 31/12/2019 are also shown. The parent company EKTER S.A. has been tax audited up to and including the financial year 2008, and on 16/11/2011 it accepted a tax clearance note under Law 3888/2010 for the unaudited financial year 2009. The Parent Company has also been audited for tax purposes for the years 2011-2013 in accordance with par. 5 of Article 82 of Law 2238/1994.

For the financial years 2014-2017, the tax audit of the parent company and the subsidiary of IFIKLIS S.A. was carried out following the provisions of Article 65 (a) of Law 4174/2013, and respective Tax Certificates were issued with an unreserved conclusion.

Company Name	Headquarters	Percentage of participation	Consolidation method	UNAUDITED TAX YEARS
IFIKLIS S.A.	Greece	100%	Full	2010-2013, 2018, 2019
EKTER VENTURES SRL	Romania	100%	Full	2017-2019
PRIPU RESIDENCE SRL	Romania	50%	Net Position	2017-2019
J/V EKTER S.A – ERTEKA S.A. – THEMELI S.A.- INTRAKAT	Greece	24%	Net Position	2011-2019
J/V DOMIKI KRITIS S.A. - EKTER S.A. - ERETVO S.A (GOURNES, HERAKLEIO CRETE)	Greece	33.33%	Net Position	2013-2019
J/V AEGEK CONSTRUCTION S.A. - VIOTER S.A. - AKTOR S.A. - EKTER S.A	Greece	20%	Net Position	2010-2019
J/V IFIKLIS S.A. - TALOS ATE	Greece	37.49%	Net Position	2014-2019

J/V ERETVO S.A. - EKTER S.A. - DOMIKI KRITIS S.A. (AGIA VARVARA, CRETE)	Greece	33.33%	Net Position	2016-2019
---	--------	--------	--------------	-----------

The company also participates in other joint ventures whose work has been completed and whose dissolution is expected. The company's payables and receivables from and to all joint ventures are shown in the next part of the notes.

4. Transactions with parties related to the Company

During the current period, the sales/purchases to/from related parties and the amounts of the Company's payables and receivables to and from related parties as of 31/12/2019 are shown in the table below.

Company Name	Expenses	Sales	Liabilities	Receivables
Consolidated Companies				
IFIKLIS S.A.	9,000.00	2,400.00	100,000.00	1,832.40
J/V "DOMIKI KRITIS S.A. - EKTER S.A. - ERETBO S.A."	0.00	174,700.00	0.00	1,054,642.73
J/V "AEGEK CONSTRUCTION S.A. - BIOTER S.A. - AKTOR S.A. - EKTER S.A."	0.00	0.00	0.00	359,033.60
J/V "ERETBO S.A. - EKTER S.A. - DOMIKI KRITIS S.A." (AG. VARVARA)	0.00	0.00	14,700.90	0.00
EKTER VENTURES SRL	0.00	0.00	0.00	630,000.00
Subtotal	9,000.00	177,100.00	114,700.90	2,045,508.73
Participation in Joint Ventures that are not Consolidated				
	0.00	0.00	236,738.80	14,899.87
Total	9,000.00	177,100.00	351,439.70	2,060,408.60

It is noted that the Company's undertaking of subcontracting work on behalf of joint ventures where it participates is treated as a project and managed as per the provisions of IFRS 15, and any receivable/liability is shown through the revenue accounts. Also in calculating the above receivables and payables from joint ventures, the results of 31/12/2018 sent to the company have been calculated.

The above table, after restatement of the reported tax results and summary of consolidation adjustments, is as follows:

Company Name	Expenses	Sales	Liabilities	Receivables
Consolidated Companies				
J/V "IFIKLIS S.A. - TALOS S.A."	0.00	0.00	1,155.72	0.00
J/V "DOMIKI KRITIS S.A. - EKTER S.A. - ERETBO S.A."	0.00	174,700.00	0.00	1,512,914.24
J/V "AEGEK CONSTRUCTION S.A. - BIOTER S.A. - AKTOR S.A. - EKTER S.A."	0.00	0.00	0.00	344,985.93
J/V "ERETBO S.A. - EKTER S.A. - DOMIKI KRITIS S.A." (AG. VARVARA)	0.00	0.00	0.00	43,223.28
PRIPU RESIDENCE SRL	0.00	0.00	0.00	495,000.00
Subtotal	0.00	174,700.00	1,155.72	2,396,123.45
Participation in Joint Ventures that are not Consolidated				
	0.00	0.00	236,738.80	14,899.87
Total	0.00	174,700.00	237,894.52	2,411,023.32

In detail, the management of the Company and the Group has received in the current financial year:

Category of Board of Directors' remuneration	Total Exit Amount until 31/12/2019	Balance to be paid 31/12/19
Remuneration of the BoD Based on the decision of the General Meeting of Shareholders & service contracts	495,854.76	0.00
Remuneration of the Board of Directors from Profit for the previous year	0.00	0.00
Total	495,854.76	0.00

It is noted that the members of the Board of Directors who receive remuneration based on resolutions of the General Meeting do not receive remuneration for their services to the Board of Directors. The approval of the aforementioned remuneration is made annually at the Annual General Meeting of Shareholders.

In 2019, the external auditors' fees for their audit services amounted to € 13,500.00 (2018: € 13,500.00) for the Group and € 12,000.00 (2018: € 12,000.00) for the Company.

5. Evolution of staff employed

The table below shows the number of full-time employees at EKTER S.A:

STAFF EMPLOYED	12/31/2019	06/30/2019	31.12.2018
Salaried employees	12	15	14
Independent Service Contracts	18	20	24
Total	30	35	38

The evolution of the Group's personnel is as follows:

STAFF EMPLOYED	12/31/2019	06/30/2019	31.12.2018
Salaried employees	14	22	21
Independent Service Contracts	26	32	36
Total	40	54	57

The above personnel includes persons employed by subsidiaries and affiliates, who are either on loan or provide their services exclusively to them, by signing respective independent service contracts, but are in essence included in the company's staff.

6. Important notes / events

6.1. Events during the period included in the financial statements

Here is a summary of the most significant events during the period 1/1/2019 - 31/12/2019, as detailed in paragraph 2 of the Annual Report of the Board of Directors:

1. A progressive borrowing was carried out with an outstanding balance as of 31/12/2019 of € 2,500,000.00, which was used as working capital.
2. On July 29, 2019, a plot of land owned by the company, in the area of Amaroussio, Attica, was transferred for an amount of € 1,000,000.00.
3. On September 3, 2019, the signing of a private project contract was announced, which includes the first phase of partial demolition of a building and the construction of an office

and warehouse building, at 18-20 Doridos Street, Tavros, Attica, for a total budget of € 1,548,00.00 including VAT.

4. On 14 October 2019, the signing of a contract with the company "GMD TOURISTIC ENTERPRISES S.A." was announced for the execution of the completion works of an existing unfinished B' category hotel, at the location VATHI LIMENOS THASSOS, with a total budget of € 5.518.000,00 including VAT.
5. On 23 December 2019, the signing of a contract with Bank of Greece S.A. for the execution of the renovation and modernization of a building at 16 Sina Street, with a total budget of € 5.578.667,62 including VAT.

6.2. Subsequent events

During the period from 1/1/2020 until the approval of these annual financial statements of the Group, the following significant events occurred:

1. On 19 May 2020, the Company notified the investing public of its appeal to the competent arbitration court against the company "HOTELS PYRAMIS S.A.". The subject of the appeal is financial disputes worth € 2,850,000.00, including VAT, arising from the execution of the project 'DEVELOPMENT OF EXISTING BUILDING C, REPLACEMENT OF EXISTING BUILDINGS A & B, LANDSCAPING AND OTHER WORKS IN THE AREA OF THE EDEN HOTEL COMPLEX IN ANAVYSSOS, ATTICA'. No receivable has been recognized for this procedure and the related costs have been charged to the profit and loss account.

6.3. Impact of events on financial figures

With regard to the events referred to in paragraph 6.1, the total interest charge, from the short-term loan, amounted to € 105,665.77, while the sale of the property in Amaroussio resulted in a marginal loss of € 2,753.60, which has been charged to the profit and loss for the period.

With regard to the effects of new projects undertaken on the company's financial figures, these are progressively incorporated, based on the progress of their execution.

7. Contingent liabilities and receivables

The Company is involved in various litigation matters in the normal course of business. Management, as well as the legal advisors, believe that the pending cases are expected to be settled without material adverse effects on the consolidated financial position of the Group or the Company, or their results of operations.

Contingent claims arising from legal claims of the company are recognized at the time of finality of each case and are not included in these financial statements.

8. Accounting principles followed

8.1. Consolidation of undertakings

Subsidiaries: These are all companies that are managed and controlled, directly or indirectly, by another company (parent), either through holding the majority of the shares of the company in which the investment is made or through its dependence on the know-how provided by the company.

EKTER SA fully consolidates subsidiaries (full consolidation) using the acquisition method from the date on which control is obtained over them and ceases to consolidate them from the date on which such control ceases to exist. The acquisition of a subsidiary by the Group is accounted for using the purchase method. The cost of an acquisition of a subsidiary is the fair value of the assets given, shares issued, and liabilities incurred at the date of exchange, plus any costs directly attributable to the transaction. Acquisition costs over the fair value of the individual assets acquired are recorded as goodwill. If the total purchase cost is less than the fair value of the individual items acquired, the difference is recognized immediately in the profit and loss account.

Intercompany transactions, balances, and unrealized profits from transactions between Group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. The accounting policies of subsidiaries have been modified to be consistent with those adopted by the Group.

Joint ventures: These are contractual arrangements whereby two or more parties undertake an economic activity that is subject to joint control. Joint control is the contractual allocation of control over an enterprise, i.e., the power to direct the financial and operating policies of an enterprise to obtain joint benefits from its activities.

The contractual arrangement provides for the terms of control of the parties to the joint venture, as a result of which none of the venturers can control the activity of the joint venture on their own. This is the essence of the joint venture. The contractual arrangement determines whether, in order to make certain decisions for achieving the objectives of the joint venture the consent of all the parties or of a specified majority is required. The contractual arrangement may specify who will be the manager of the joint venture, and who does not control the joint venture but acts within the framework of the economic and business policy agreed by the venturers.

The company's interests in joint ventures are consolidated using the net position method. Based on the Net Position method, the investment in the joint venture is initially recognized at cost and adjusted for changes in equity. The profit or loss of the venturer includes its share of the profit or loss of the joint venture in the profit and loss account of the joint venture. In any case, the company recognizes immediately in its profit and loss account any obligation or commitment of the joint ventures for which the joint ventures are unable to meet.

The company recognizes the proportionate share of the profit and loss account of the joint ventures as reported to it by period. In the consolidated financial statements, it adjusts the above profit and loss account for joint ventures that have not completed their work, based on the provisions for construction contracts. Any subcontracted work undertaken by EKTER S.A. on behalf of its participating joint venture is accounted for as projects and is not eliminated on consolidation.

Affiliates: These are entities in which the company can exercise significant influence but do not qualify as subsidiaries or joint venture interests. The assumptions used by EKTER SA are that the holding of between 20% and 50% of the voting rights of a company indicates significant influence over that company. Investments in affiliates are initially recognized at cost and subsequently reviewed using the equity method.

The company's share of the post-acquisition profits or losses of affiliates is recognized in the profit and loss account, while its share of post-acquisition movements in reserves is recognized in reserves. The cumulative changes affect the carrying amount of investments in affiliates. When the company's share of losses in an affiliate equal or exceeds its interest in the affiliate, including any other bad debts, the company recognizes no further losses unless it has funded liabilities or made payments on behalf of the affiliate and generally those arising from shareholding.

Unrealized profits on transactions between the company and its affiliates are eliminated to the extent of the Group's interest in the affiliates. Unrealized losses are eliminated unless the transaction provides evidence of an impairment of the transferred asset. The accounting policies of affiliates have been modified to be consistent with those adopted by the Group. Intra-group balances and intra-group transactions and the Group's profits arising from them that have not yet been realized are eliminated in the preparation of the consolidated financial statements.

8.2. Tangible fixed assets

Tangible fixed assets are carried in the financial statements at their acquisition values. As of 1 January 2004, the Company's freehold land and buildings were valued at fair value determined based on a study by recognized independent property valuers. In addition, at that date, owned machinery and equipment were valued at their depreciable replacement cost. These values are stated net of: (a) accumulated depreciation; and (b) any depreciation of fixed assets.

The initial cost of an item of property, plant, or equipment comprises the purchase price, including import duties and non-refundable purchase taxes, and any costs necessary to make the asset operational and ready for its intended use. Subsequent expenditure incurred in respect of property, plant, and equipment is capitalized only when it increases the future economic benefits expected to flow from the use of the affected assets. All other expenditure on repairs, maintenance, etc., of fixed assets, is charged to expenses in the financial year in which it is incurred.

When an asset is retired or sold, the related costs and accumulated depreciation are written off from the respective accounts in the period of retirement or sale and the related profits or losses are recognized in the profit and loss account.

Depreciation is charged to the Income Statement, using the straight-line method, over the estimated useful lives of the fixed operating assets. The land is not depreciated. The estimated lifespan, by category of fixed assets, is as follows:

Buildings	40 years
Machinery and equipment	5-15 years
Means of transport	8-10 years
Furniture and other equipment	4-7 years

The residual values and lifespan of tangible assets are subject to review on each annual balance sheet. When the carrying values of tangible assets exceed their recoverable amount, the differences (depreciation) are recorded as expenses in the profit and loss account.

Investments in real estate are initially measured at book value, which includes the initial acquisition cost plus transfer taxes, etc. After initial recognition, they are measured at fair value at the end of each financial year and any difference between fair value and carrying amount is recognized in the income statement.

8.3. Intangible assets

Goodwill

Goodwill represents the additional consideration paid by the Group for the acquisition of new subsidiaries, joint ventures as well as affiliates. It results from a comparison of the price paid to acquire a new company with the fair value of the Group's share of its equity at the date of acquisition. Goodwill arising from the acquisition of new subsidiaries and joint ventures is shown under intangible assets. Goodwill is tested annually for impairment, which reduces the original amount as shown in the balance sheet. In calculating profits or losses arising from the sale of investments, any goodwill on the company to be sold is taken into account.

In order to facilitate the impairment tests, the amount of goodwill is allocated to cash-generating units. A cash-generating unit is the smallest identifiable group of assets that generates independent cash flows and represents the level at which the Group collects and presents financial information for internal reporting purposes. The impairment for goodwill is determined by calculating the recoverable amount from the cash flow units to which the goodwill is linked. Impairment losses associated with goodwill cannot be reversed in future periods. The Group performs its annual impairment test for goodwill on 31 December of the respective financial year.

If the fair value of equity at the date of acquisition of a company is greater than the consideration given for its acquisition, then negative goodwill (income) arises, which is recognized directly as income in the income statement.

Software programs

Software programs relate to the cost of purchase. Costs that enhance or extend the performance of software programs beyond their original specification are recognized as capital expenditure and added to the original cost of the software. Amortization of software programs is charged to the income statement using the straight-line method over their lifespan. The estimated lifespan is between 1 and 5 years.

8.4. Impairment of assets

Assets with an indefinite lifespan are not depreciated and are subject to impairment testing annually and also when events indicate that the carrying value may not be recoverable. Assets that are depreciated are subject to an impairment test when there are indications that their carrying amount may not be recovered.

Net realizable value is the amount obtainable from the sale of an asset in a two-way transaction to which the parties have the knowledge and voluntarily consent, after deducting any incremental direct costs of disposal of the asset, while the value in use is the present value of the estimated future cash flows expected to flow to the enterprise from the use of an asset and its disposal at the end of its estimated useful life.

An impairment loss for an asset recognized in prior years is reversed only when there is sufficient evidence that the impairment no longer exists or has decreased. In such cases, the reversal is recognized as income.

8.5. Available-for-sale investments

'Available-for-sale investments' refer to investments that are expected to last for an indefinite period of time, but which can be sold immediately in the event of a liquidity need or a change in interest rates. These investments are included in non-current other assets.

Purchases and sales of investments are recorded at cost on the trade date, which is the date on which the company commits to purchase or sell the asset. The purchase cost includes transaction costs. Available-for-sale investments are carried at fair value. Unrealized profits (losses) arising from changes in the fair value of securities classified as available for sale are recognized in equity. The fair value of investments is based on the bid price or amounts generated by cash flow models. Fair values for equity securities of unlisted companies are calculated using price-to-earnings or price-to-cash-flow ratios adjusted to the specific circumstances of the issuer. Equity securities whose fair value cannot be measured reliably are recognized at cost less any impairment. When securities classified as available for sale are sold

or impaired, the accumulated fair value adjustments are included in the income statement as profits or losses on investment securities.

Securities for which there is a regulated market are valued at fair value through the income statement.

8.6. Inventories

Inventories are stated at the lower cost or production cost and realizable value. Realizable value is the estimated selling price less the cost of disposing of the inventories. The cost of inventories is determined using the weighted average cost method and includes the costs of acquiring the inventories, the costs of producing them (in the case of self-produced products/property), and the costs of transporting them to their location.

Until the current period, the company includes in the cost of each project all materials received directly at its construction sites for the needs of these projects, while there are no material storage facilities until the ongoing period.

8.7. Trade receivables

Trade receivables from customers are initially recorded at fair value and subsequently measured at amortized cost using the effective interest rate, and net of impairment losses. Impairment losses (losses on bad debts) are recognized when there is objective evidence that the Group is unable to collect all amounts due according to the contractual terms. The amount of the impairment loss is the difference between the carrying amount of the receivables and the present value of estimated future cash flows discounted at the effective interest rate. The amount of the impairment loss is recognized as an expense in the profit and loss account.

In addition, the Group has adopted the expected credit loss model for trade receivables as required by IFRS 9 and has included the effect of this in the final estimate of the provision for doubtful debts. Any write-off of receivables balances is charged to the corresponding amount of the provision for doubtful debts. It is the Group's policy to write off doubtful debts only when all possible means of collection (including legal remedies) have been exhausted.

8.8. Cash and cash equivalents

Cash and cash equivalents include cash at the bank and in hand as well as short-term highly liquid investments such as money market products and bank deposits. Money market instruments are financial assets that are measured at fair value through the income statement.

8.9. Transactions in foreign currencies

The financial statements of the Group companies are measured using the currency of the economic environment in which each company operates. The consolidated financial statements are presented in Euro. Transactions in foreign currencies are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange profits and losses arising from the settlement of such transactions during the period and the translation of foreign currency-denominated monetary items at the exchange rates prevailing at the balance sheet date are recognized in the profit and loss account. Exchange differences on non-monetary items measured at fair value are considered to be part of fair value and are therefore recorded where the fair value differences are recorded.

Assets and liabilities of foreign operations are translated into Euro at the exchange rates prevailing at the balance sheet date. Similarly, income and expenses have been translated at the average exchange rates prevailing during the reporting period. The individual financial statements of consolidated companies initially presented in a currency other than the Group's presentation currency have been translated into Euro. Any differences arising from this process have been debited / (credited) to the reserve for translation of balance sheets of subsidiaries in foreign currency, and equity.

8.10. Loans

All loans of the company are initially recorded at the value of the proceeds received, which is the fair value of the consideration received less the cost of acquisition of such consideration. Subsequent valuation of loans is carried out using the discount rate method. Any difference

between the benefit (other than acquisition costs) and the redemption value is recognized in the income statement throughout the loans.

8.11. Leases

Lease costs of fixed assets are recognized in the profit and loss account based on contractual obligations.

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased asset, are recorded as assets at an amount equal at the inception of the lease to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. Rentals are allocated to finance charges and a reduction of the outstanding liability to produce a constant periodic rate of interest on the remaining balance of the liability. Finance expenses are charged directly to the profit and loss account. Leased assets are depreciated over their lifespan.

For operating leases, in application of IFRS 16 from 1/1/2019, assets and liabilities are recognized for all leases with a term of more than 12 months, unless the underlying asset is not of significant value. Based on the above, Right of Use and Lease Liability are recognized in the Statement of Financial Position, while depreciation and interest are recognized in the Statement of Profit and Loss accordingly.

8.12. Financial instruments

A financial instrument is any contract that creates a financial asset in one enterprise and a financial liability or equity instrument in another enterprise. Financial instruments are classified according to the substance of the contract and the purpose for which they were acquired.

The Group's principal financial instruments are cash, bank deposits, and short-term receivables and payables. Given the short-term nature of these instruments, the Group's management believes that their fair value is substantially the same as the value at which they are carried on the Group's books. In addition, the Group's management believes that the interest rates paid

about the loans taken out are equivalent to current fair market interest rates and, therefore, the conditions for any adjustment to the value at which these liabilities are carried are not met. The Group does not use financial derivatives.

8.13. Dividends

The distribution of dividends to shareholders and the remuneration of the Board of Directors of the parent company from the profit for the year are recognized as a liability in the financial statements on the date on which the distribution is approved by the General Meeting of Shareholders.

8.14. Taxes (current and deferred)

The income tax charge for the period consists of current taxes and deferred taxes, i.e. taxes or tax credits related to economic benefits arising in the period but which have already been or will be charged by the tax authorities in different periods. Income tax is recognized in the income statement for the period, except for that tax relating to transactions recognized directly in equity, in which case it is recognized directly, in a similar manner, in equity or the statement of other comprehensive income, as appropriate.

Current income taxes include current liabilities and/or receivables from the taxation authorities relating to taxes payable on taxable income for the period and any additional income taxes relating to previous years. Current taxes are measured in accordance with the tax rates and tax laws applicable to the financial periods to which they relate, based on the taxable profit for the year. All changes in current tax assets or liabilities are recognized as part of tax expense in the income statement.

Deferred income tax is determined using the liability method arising from temporary differences between the carrying amount and tax base of assets and liabilities.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the asset or liability is expected to be settled, taking into account tax rates

(and tax laws) that have been enacted or substantively enacted by the balance sheet date. If the timing of the reversal of temporary differences cannot be clearly determined, the tax rate in effect at the tax year ending after the balance sheet date is applied and is regarded as final.

Deferred tax assets are recognized to the extent that there will be a future taxable profit for the utilization of the temporary difference that gives rise to the deferred tax asset.

Changes in deferred tax assets or liabilities are recognized in the income statement in the periods in which they occur. Only changes in assets that affect temporary differences and are recognized directly in equity, such as the revaluation of property, result in a change in deferred tax assets and are recorded against the relevant equity account

8.15. Provisions

Provisions are recognized when the Group has present legal or constructive obligations as a result of past events, they will probably be settled through the outflow of resources and an estimate of the exact amount of the obligation can be made reliably. Provisions are reviewed at the date of each balance sheet and adjusted to reflect the present value of the expenditure expected to be required to settle the obligation. Contingent liabilities are not recognized in the financial statements but are disclosed unless the probability of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but are disclosed if the inflow of economic benefits is probable.

8.16. Employee benefits

The Company has not formally or informally activated any special benefit plan for its employees, which is committed to benefits in case of an employee leaving the Company. The only plan that is in force and has been activated in the past is the contractual obligation under the applicable legislation Laws 2112/1920 and 3198/1955 to provide a lump sum in the event of staff retirement.

8.17. Recognition of revenue and expenses

Revenue: Revenue includes the fair value of works performed, sales of goods and services provided, net of Value Added Tax, discounts, and refunds. Intercompany revenues within the Group are eliminated. Revenue is recognized as follows:

Construction project contracts

Revenue from construction contracts is recognized in the period in which the project is constructed, based on the percentage of completion.

Sales of goods

Sales of goods are recognized when the Group delivers the goods to customers, the goods are accepted by them, and collection of the receivable is reasonably assured.

Provision of services

Revenue from services is recognized in the period in which the services are provided, based on the stage of completion of the service provided relative to the total services provided.

Assignment of exploitation rights

Revenue arising from exploitation (or franchise) rights is recognized on an accrual basis and in accordance with the content of the relevant agreements.

Interest

Interest income is recognized on a time proportion basis, taking into account the balance of the principal amount and the applicable interest rate for the period to maturity when it is determined that such income will be payable to the entity.

Dividends

Dividends are recognized as revenue when the right to receive them is established.

Expenses: Operating expenses are recognized in profit or loss on an accrual basis. Payments for operating leases are transferred to profit or loss as expenses in the year in which the lease is used. Interest expenses are recognized on an accrual basis.

8.18. Construction contracts

Construction contracts involve the construction of assets or a group of related assets specifically for customers following the terms set out in the related contracts and whose performance is normally for more than one year.

Costs relating to the contract are recognized when incurred. The Company makes estimates of the total cost to completion in each financial statement period and includes in contract revenue any adjustments to the original contract that occurred during the period.

Where the outcome of a construction contract cannot be measured reliably, then revenue is recognized only to the extent that the contract costs incurred are recoverable and the contract costs should be recognized as an expense in the period in which they are incurred. Therefore, for these contracts, such revenue is recognized so that the profit on the project is zero.

When the outcome of a contract can be estimated reliably, contract revenue and contract costs are recognized over the contract term as revenue and expense, respectively. The enterprise uses the percentage of completion method to determine the appropriate amount of income and expense to recognize in a particular period. The percentage of completion is determined based on the costs incurred to the date of the financial statement about the total estimated construction costs of each project. When it is probable that the total cost of the contract will exceed the total revenue, the expected loss is recognized immediately in profit or loss as an expense. In calculating the cost incurred to the end of the period, any costs associated with future work in respect of the contract are excluded and shown as work in progress.

The recognized progressive revenue by project is compared with the progressive billings to the end of the period and the difference is shown as a receivable or liability from contract customers for projects. More specifically, when the progressive revenue recognized exceeds progressive billings a receivable is presented, and when it falls short of billings it is presented as a liability. On a project-by-project basis, the recognized receivables and payables from construction projects are thoroughly reviewed by the responsible bodies of the company.

9. Explanatory notes

9.1. Seasonality of operations

The Company and the Group companies are primarily engaged in the construction business and their revenues are dependent on the demand for public and private projects. These activities are affected by and fall within the general economic and business cycle. Further, no other specific or consistent pattern of seasonality, or another form of periodicity, has been identified by the Company that governs the activities of the Group's businesses.

9.2. Turnover analysis

All turnover in the current period (1/1-31/12/2019), as well as in the comparable period (1/1-31/12/2018), has been generated within Greece. It is noted that as of 31/12/2019 there is no uncompleted construction contract in force outside the Greek Territory, both at company and group level.

CATEGORY	GROUP		COMPANY	
	<u>1/1-31/12/2019</u>	<u>1/1-31/12/2018</u>	<u>1/1-31/12/2019</u>	<u>1/1-31/12/2018</u>
Public Works	591,838.32	8,060,938.62	591,838.32	8,060,938.62
Private Projects	18,522,314.27	14,565,951.58	18,522,314.27	14,565,951.58
Residential sales	1,000,000.00	130,000.00	1,000,000.00	130,000.00
Total	<u><u>20,114,152.59</u></u>	<u><u>22,756,890.20</u></u>	<u><u>20,114,152.59</u></u>	<u><u>22,756,890.20</u></u>

Based on the construction contracts in progress and executed solely by EKTER, the work in progress as of 31/12/2019 amounts to € 10,458,584.31 compared to € 14,198,264.40 as of

31/12/2018. The above amounts include projects constructed on behalf of public and private entities.

Turnover does not include income from joint ventures which are consolidated using the equity method. It should be noted that the share of invoiced work of the Company's joint venture participations amounted to € 8,237,756.30 in 2019 compared to € 6,421,686.65 in 2018. The share of work in progress of joint ventures amounts to € 533,568.09 as of 31/12/2019 compared to € 9,227,606.01 as of 31/12/2018.

9.3. Cost of sales

The cost of sales is broken down as follows:

CATEGORY	GROUP		COMPANY	
	<u>1/1-31/12/2019</u>	<u>1/1-31/12/2018</u>	<u>1/1-31/12/2019</u>	<u>1/1-31/12/2018</u>
Cost of sales				
Employee remuneration and expenses	371,621.48	508,320.33	371,621.48	508,320.33
Remuneration and expenses of third parties	12,302,005.92	12,750,546.67	12,302,005.92	12,750,546.67
Other third party benefits	67,817.70	85,280.78	67,817.70	85,280.78
Taxes & fees	7,448.31	113,821.30	7,448.31	113,821.30
Other miscellaneous expenses	165,459.42	125,288.90	165,459.42	125,288.90
Depreciation of assets	12,753.37	20,462.42	12,753.37	20,462.42
Cost of inventories recognized as an expense	7,435,985.19	5,832,805.86	7,435,985.19	5,832,805.86
Cost of housing	1,002,753.60	239,992.46	1,002,753.60	239,992.46
Total	<u><u>21,365,844.99</u></u>	<u><u>19,676,518.72</u></u>	<u><u>21,365,844.99</u></u>	<u><u>19,676,518.72</u></u>

9.4. Administrative costs

The Company's and the Group's Administrative Operating Expenses are analyzed as follows:

CATEGORY	GROUP		COMPANY	
	<u>1/1-31/12/2019</u>	<u>1/1-31/12/2018</u>	<u>1/1-31/12/2019</u>	<u>1/1-31/12/2018</u>
Administrative operating expenses				
Employee remuneration and expenses	933,305.46	839,190.91	933,305.46	838,545.05
Remuneration and expenses of third parties	202,670.15	272,604.82	188,486.27	260,648.76
Other third party benefits	39,026.96	134,485.14	38,237.38	88,464.15
Taxes & fees	35,255.50	42,721.24	34,967.30	42,468.04
Other miscellaneous expenses	216,992.31	115,338.02	167,197.02	114,498.04
Depreciation of assets	78,439.66	13,967.94	77,787.05	13,287.68
Provisions	-19,627.48	7,649.45	-19,627.48	7,649.45
Total	<u>1,486,062.56</u>	<u>1,425,957.52</u>	<u>1,420,353.00</u>	<u>1,365,561.17</u>

When comparing the detailed figures, the application during the financial year of IFRS 16 should be taken into account, which, although it did not bring about a significant change as a whole, had a significant and countervailing effect on "Other employee benefits" and "Depreciation of fixed assets".

9.5. Other operating revenue and expenses

CATEGORY	GROUP		COMPANY	
	<u>1/1-31/12/2019</u>	<u>1/1-31/12/2018</u>	<u>1/1-31/12/2019</u>	<u>1/1-31/12/2018</u>
Other operating revenue				
Lease of buildings	300.00	600.00	2,700.00	3,000.00
Lease of machinery	7,250.00	27,100.00	2,750.00	21,700.00
Income from sale of assets	2,222.72	0.00	1,030.00	0.00
Final judgments	33,669.30	0.00	33,669.30	0.00
Deletion of liabilities	45,582.21	0.00	45,582.21	0.00
Other	2,625.07	8,860.61	1,829.64	509.57
Exchange rate differences	20,809.40	14,751.31	0.00	0.00
Total	<u>112,458.70</u>	<u>51,311.92</u>	<u>87,561.15</u>	<u>25,209.57</u>

CATEGORY	GROUP		COMPANY	
	<u>1/1-31/12/2019</u>	<u>1/1-31/12/2018</u>	<u>1/1-31/12/2019</u>	<u>1/1-31/12/2018</u>
Other Operating Expenses				
Cost of other income	0.00	0.00	0.00	0.00
Cost of machinery leasing	3,008.42	14,532.83	1,243.00	12,372.83
Fines for other bodies	2,555.35	2,154.05	2,555.35	2,154.05
Impairment of real estate	0.00	0.00	0.00	0.00
Losses on sale of assets	185.66	0.00	185.66	0.00
Exchange differences	23,036.39	15,039.10	0.00	0.00
Other	2,451.20	227.28	2,451.20	213.36
Total	31,237.02	31,953.26	6,435.21	14,740.24

9.6. Financial income and expenses

CATEGORY	GROUP		COMPANY	
	<u>1/1-31/12/2019</u>	<u>1/1-31/12/2018</u>	<u>1/1-31/12/2019</u>	<u>1/1-31/12/2018</u>
Financial income				
Interest on loans & similar income	13,179.80	1,983.42	13,155.02	1,922.44
Total	13,179.80	1,983.42	13,155.02	1,922.44
Financial expenses				
Interest & similar charges	113,232.27	3,653.31	113,169.27	3,582.31
Interest on customer advances	0.00	4,689.50	0.00	4,689.50
Letter of guarantee commissions	236,524.70	324,729.84	236,524.70	324,729.84
Valuation of cash and cash equivalents	3,955.63	0.00	3,955.63	0.00
Total	0.00	19,682.17	0.00	19,682.17
	353,712.60	352,754.82	353,649.60	352,683.82

Financial costs cannot be comparable due to the changes that have taken place, mainly the increase in debt interest and the decrease in the outstanding letters of guarantee of all types, changes that should be taken into account before drawing any conclusions.

At the same time, it is noted that a change is the accounting of interest on lease liabilities as of 1/1/2019, based on the provisions of IFRS 16.

9.7. Other financial results

CATEGORY	GROUP		COMPANY	
	<u>1/1- 31/12/2019</u>	<u>1/1- 31/12/2018</u>	<u>1/1- 31/12/2019</u>	<u>1/1- 31/12/2018</u>
Profits				
Profits from joint ventures	776,716.32	178,170.15	849,104.77	92,128.16
Total Profit	<u>776,716.32</u>	<u>178,170.15</u>	<u>849,104.77</u>	<u>92,128.16</u>
Losses				
Losses from joint ventures	35,271.59	31,495.34	36,850.57	31,762.79
Gains/losses on valuation of investments & securities	6,438.00	3,015.82	6,438.00	3,015.82
Total losses	<u>41,709.59</u>	<u>34,511.16</u>	<u>43,288.57</u>	<u>34,778.61</u>
Total profit and loss account	<u>735,006.73</u>	<u>143,658.99</u>	<u>805,816.20</u>	<u>57,349.55</u>

The consolidated results of the joint ventures include the adjustment of the net position of the consolidated joint ventures based on the percentage of completion of the project they are performing.

In the current period, based on the relevant impairment test of the Company's equity interests, a reduction of € 2,974.32 in the write-down of the equity interest in ERGONIS S.A. was made.

9.8. Taxes - reconciliation of the accounting result

	GROUP		COMPANY	
	<u>1/1- 31/12/2019</u>	<u>1/1- 31/12/2018</u>	<u>1/1- 31/12/2019</u>	<u>1/1- 31/12/2018</u>
Income Tax (Current Period)	839,061.14	-454,457.13	838,779.56	-455,910.64
Adjustment due to change in tax rate (expenses)/income	-9,351.72	-325,144.11	-6,674.93	-322,898.91
Unified Property Ownership Tax (ENFIA)	-16,361.76	-17,485.84	-16,313.99	-17,438.07
Other taxes	0.00	-72,583.24	0.00	-72,583.24
Deferred taxes (expenses)/income	-202,880.46	35,714.69	-202,873.21	38,129.72
Business tax	-6,818.50	-6,618.00	-5,818.50	-5,618.00
Joint venture tax	47,597.88	-94,403.18	0.00	0.00
Total	<u>651,246.58</u>	<u>-934,976.81</u>	<u>607,098.93</u>	<u>-836,319.14</u>

It should be noted that deferred taxes relating to the adjustment of the results of consolidated joint ventures are calculated on the basis of the percentage of completion of the project they are carrying out.

On 03/12/2018, Law 4579 was published, Article 23 of which determined the change in the tax rate for legal persons and legal entities that keep double-entry books, for the incomes of the following tax years, with a gradual reduction of the tax rate by one unit, up to the incomes of the financial year 2022. The Group's result, in the previous financial year, was burdened by an amount of € 325,144.11 based on the planned progressive reduction of the tax rate from 29% to 25%.

For the income of the financial year 2019, taxes were calculated at 24%, in accordance with the provisions of Article 22 of Law 4646/12.12.2019, which redefined the tax rate for business profits earned by legal persons and legal entities that keep double-entry books and set it at 24% for income for the financial year 2019 and thereafter. The charge to the Group's results in the current financial year amounted to € 9,351.72.

The tax on profit before tax differs from the theoretical amount that would arise using the weighted average tax rate on profit. The difference is as follows:

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>1/1-31/12/2019</u>	<u>1/1-31/12/2018</u>	<u>1/1-31/12/2019</u>	<u>1/1-31/12/2018</u>
Profit / (Loss) before tax	-2,262,059.35	1,466,660.21	-2,125,597.84	1,431,867.81
Tax rate	24%	29%	24%	29%
Income tax, based on the nominal rate	542,894.24	-425,331.46	510,143.48	-415,241.66
Taxes on non-taxable income and expenses and unrecognized tax losses	140,884.32	-87,814.16	125,762.87	-2,539.26
Adjustment due to change in tax rate (expenses)/income	-9,351.72	-325,144.11	-6,674.93	-322,898.91
Other taxes	-23,180.26	-96,687.08	-22,132.49	-95,639.31
Total	651,246.58	-934,976.81	607,098.93	-836,319.14

stamp: AIKATERINI CH. KATECHI
LAWYER

Athens Bar Association Reg. Number: 26211
9, P. NIRVANA Street, FILOTHEI 15237
TIN: 100501319 – TAX OFFICE OF PSYCHIKO
TEL: 210 3447552 – MOBILE: 6972 994567

EKTER S.A.

ANNUAL FINANCIAL REPORT

Financial year from 1/1/2019 to 31/12/2019

9.9. Earnings per share

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>1/1-31/12/2019</u>	<u>1/1-31/12/2018</u>	<u>1/1-31/12/2019</u>	<u>1/1-31/12/2018</u>
Profit attributable to shareholders of the company	-1,610,812.77	531,683.40	-1,518,498.91	595,548.67
Weighted average number of shares (pieces)	11,250,000	11,250,000	11,250,000	11,250,000
Earnings after tax per basic share	-0.1432 €	0.0473 €	-0.1350 €	0.0529 €

9.10. Fixed assets

The movement of fixed assets during the period is as follows:

GROUP

	For Investment Land - Plots	For Investment Buildings	Lease rights for real estate	Machinery - Technical installations	Means of transport	Furniture and Other Equipment	Software Programs	Total
Cost of acquisition								
1/1/2018	7,405,537.81	485,462.19	0.00	491,593.68	138,874.51	191,198.41	50,716.80	8,763,383.40
Additions				15,100.00	19,441.48	8,244.89		42,786.37
Sales-Deductions								0.00
Impairments								
Total 31/12/18	7,405,537.81	485,462.19	0.00	506,693.68	158,315.99	199,443.30	50,716.80	8,806,169.77
Additions			94,619.54		9,000.00	3,088.87		106,708.41
Sales-Deductions				-11,627.66	-12,000.00			-23,627.66
Impairments								0.00
Total 31/12/2019	7,405,537.81	485,462.19	94,619.54	495,066.02	155,315.99	202,532.17	50,716.80	8,889,250.52
Cumulated								
Amortizations 1/1/2018	0.00	0.00	0.00	255,106.76	38,296.04	168,018.38	50,708.00	512,129.18
Amortization for the year				23,477.77	18,437.77	7,040.02	7.63	48,963.19
Sales-Deductions								0.00
Total 31/12/18	0.00	0.00	0.00	278,584.53	56,733.81	175,058.40	50,715.63	561,092.37
Amortization for the year			45,417.38	23,701.64	18,927.49	6,169.94		94,216.45
Sales-Deductions	0.00			-8,422.00	-4,192.72			-12,614.72
Total 31/12/2019	0.00	0.00	45,417.38	293,864.17	71,468.58	181,228.34	50,715.63	642,694.10
Non Amortized Value								
31/12/2018	7,405,537.81	485,462.19	0.00	228,109.15	101,582.18	24,384.90	1.17	8,245,077.40
Non Amortized Value								
31/12/2019	7,405,537.81	485,462.19	49,202.16	201,201.85	83,847.41	21,303.83	1.17	8,246,556.42

COMPANY

	Lease rights							Total
	For Investment Land - Plots	For Investment Buildings	for real estate	Machinery - Technical installations	Means of transport	Furniture and Other Equipment	Software Programs	
Cost of acquisition								
1/1/2018	7,343,537.81	485,462.19	0.00	490,353.36	120,874.51	189,448.23	50,716.80	8,680,392.90
Additions				15,100.00	19,441.48	7,215.62		41,757.10
Sales-Deductions								0.00
Impairments								0.00
Total 31/12/18	7,343,537.81	485,462.19	0.00	505,453.36	140,315.99	196,663.85	50,716.80	8,722,150.00
Additions			94,619.54		9,000.00	3,088.87		106,708.41
Sales-Deductions				-11,627.66				-11,627.66
Impairments								0.00
Total 31/12/2019	7,343,537.81	485,462.19	94,619.54	493,825.70	149,315.99	199,752.72	50,716.80	8,817,230.75
Cumulated Amortizations								
1/1/2018	0.00	0.00	0.00	253,866.49	35,363.74	166,585.48	50,708.00	506,523.71
Amortization for the year				23,477.77	16,312.77	6,324.76	7.63	46,122.93
Sales-Deductions								0.00
Total 31/12/18	0.00	0.00	0.00	277,344.26	51,676.51	172,910.24	50,715.63	552,646.64
Amortization for the year			45,417.38	23,701.64	17,042.07	5,622.33	0.00	91,783.42
Sales-Deductions	0.00	0.00		-8,422.00	0.00	0.00	0.00	-8,422.00
Total 31/12/2019	0.00	0.00	45,417.38	292,623.90	68,718.58	178,532.57	50,715.63	636,008.06
Non Amortized Value								
31/12/2018	7,343,537.81	485,462.19	0.00	228,109.10	88,639.48	23,753.61	1.17	8,169,503.36
Non Amortized Value								
31/12/19	7,343,537.81	485,462.19	49,202.16	201,201.80	80,597.41	21,220.15	1.17	8,181,222.69

9.11. Capital expenditure

Total fixed asset investments for the period 1/1 - 31/12/19 amounted to € 12,088.87 for the Group and the Company. The relevant analysis is presented below.

stamp: AIKATERINI CH. KATECHI
LAWYER

Athens Bar Association Reg. Number: 26211
9, P. NIRVANA Street, FILOTHEI 15237
TIN: 100501319 – TAX OFFICE OF PSYCHIKO
TEL: 210 3447552 – MOBILE: 6972 994567

EKTER S.A.
ANNUAL FINANCIAL REPORT

Financial year from 1/1/2019 to 31/12/2019

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>1/1 -</u> <u>31/12/2019</u>	<u>1/1 -</u> <u>31/12/2018</u>	<u>1/1 -</u> <u>31/12/2019</u>	<u>1/1 -</u> <u>31/12/2018</u>
A. Operating Assets	12,088.87	42,786.37	12,088.87	41,757.10
B. Investment property	0.00	0.00	0.00	0.00
C. Intangible assets	0.00	0.00	0.00	0.00
TOTAL INVESTMENT IN ASSETS	<u>12,088.87</u>	<u>42,786.37</u>	<u>12,088.87</u>	<u>41,757.10</u>

9.12. Existing encumbrances

As of 31/12/2019, there is an existing encumbrance in favor of "PIRAEUS BANK S.A." of € 3,500,000.00 on real estate owned by the company, secured by a Credit Agreement with Open Joint Account.

9.13. Inventories - Receivables from the execution of projects

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>31-12-19</u>	<u>31-12-18</u>	<u>31-12-19</u>	<u>31-12-18</u>
Receivables from the execution of works	1,424,721.42	1,909,008.83	1,424,721.42	1,909,008.83
Costs of property restructuring	0.00	999,272.21	0.00	999,272.21
Total	<u>1,424,721.42</u>	<u>2,908,281.04</u>	<u>1,424,721.42</u>	<u>2,908,281.04</u>

Property development costs relate to the costs incurred by the Group for the completion of properties which are not used for any other productive purpose but are held for sale.

With the transfer of the remaining apartment in December 2018 in a residential complex in the area of Neo Faliro, the property remodeling costs as of 31 December 2018 included only the land in Amaroussio, Attica. Following the transfer of the land plot in Amaroussio, as discussed in the significant events of the period, the property configuration costs were zero.

9.14. Trade receivables

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>31-12-19</u>	<u>31-12-18</u>	<u>31-12-19</u>	<u>31-12-18</u>
Customers	6,861,547.84	2,466,167.15	6,860,431.84	2,462,819.15
Cheques in Delay	146,735.14	146,735.14	146,735.14	146,735.14
Forecasts for Cheques in Delay	-146,735.14	-146,735.14	-146,735.14	-146,735.14
Total	<u>6,861,547.84</u>	<u>2,466,167.15</u>	<u>6,860,431.84</u>	<u>2,462,819.15</u>

All of the above amount from customers is receivable. The balance from customers includes a total receivable of € 14,201.12, for which there is a possibility of uncollectibility, while a receivable of € 98,958.03 relates to a receivable in arrears for which there is a corresponding liability. Also included is a receivable of € 5,900,000.00 from the execution of a private project for which an arrangement exists that provides for the recognition of interest on arrears and the registration of a mortgage on real estate to secure the receivable.

Apart from the above balances, the balance of the receivables is expected to be collected in the first half of 2020.

9.15. Other assets

	GROUP		COMPANY	
	<u>31-12-19</u>	<u>31-12-18</u>	<u>31-12-19</u>	<u>31-12-18</u>
Non-current other assets				
Participations in subsidiaries	0.00	0.00	1,530,904.87	1,530,904.87
Provisions for investments in subsidiaries	0.00	0.00	-1,299,004.68	-1,299,004.68
Investments in joint ventures	133,039.17	234,506.52	129,290.17	230,757.52
Provisions for investments in joint ventures	0.00	0.00	0.00	0.00
Participation in associates	60,000.00	60,000.00	60,000.00	60,000.00
Provisions for investments in associates	-48,770.69	-45,796.37	-48,770.69	-45,796.37
Deferred tax assets	2,817,850.47	2,139,632.80	2,758,097.06	2,077,479.37
Other long-term receivables	19,577.74	14,580.15	18,845.15	14,580.15
Long-term receivables from associates	495,000.00	495,000.00	630,000.00	580,000.00
Provisions for other long-term receivables	0.00	0.00	0.00	0.00
Total	3,476,696.69	2,897,923.10	3,779,361.88	3,148,920.86
Other current assets				
Advances to suppliers	242,613.28	1,083,240.69	242,613.28	1,083,240.69
Receivables from subsidiaries	0.00	0.00	1,832.40	610.80
Receivables from joint ventures	1,916,023.32	824,510.13	1,428,576.20	358,158.08
Provisions for receivables from joint ventures	0.00	0.00	0.00	0.00
Other short-term receivables	1,290,107.47	1,463,599.70	1,290,106.92	1,362,882.89
Accounts payable advances & credits	1,401.95	659.38	1,401.95	659.38
Accrued income on term deposits & other income receivable	0.00	2,205,783.41	0.00	2,205,783.41
Prepaid expenses	93,526.94	21,350.35	93,303.64	20,996.79
Total	3,543,672.96	5,599,143.66	3,057,834.39	5,032,332.04
Grand total	<u>7,020,369.65</u>	<u>8,497,066.76</u>	<u>6,837,196.27</u>	<u>8,181,252.90</u>

Long-term receivables from related companies, at the corporate level, relate to interest-free financing to the subsidiary EKTER VENTURES SRL, and at the Group level to the affiliated company PRIPU RESIDENCE SRL (50% stake of the former in the latter company). The business plan of EKTER VENTURES SRL, is to undertake projects or participate in investment schemes for the development of construction projects, which started to be carried out through PRIPU RESIDENCE SRL. Currently, the construction of a complex of 17 apartments in Bucharest, Romania is underway.

Other current receivables of the Group include: a) an amount of € 590,398.75 of withheld taxes, which will be refunded upon submission and settlement of the income tax return for the financial year 2019. b) an amount of € 601,636.98 of insurance contributions compulsorily prepaid for Public Works in progress, based on provisional building works rates determined by the competent services, applicable to the certifications, which are offset during the progress of the works against insurance liabilities created, and are settled after the completion of the works of the respective works with the finalization of the above rate. On 08/02/2019, the settlement of a construction project contract was finalized and the amount of € 122,626.31 was returned to the company as an undue payment.

The change in Accrued Receivables relates to certifications of works performed during the financial year 2018, which were included in the financial statements of said year, but were approved by the respective owners of the projects and invoiced at the beginning of the financial year 2019.

The decrease in advances to suppliers is a function of the ongoing projects and the related subcontracting agreements.

Finally, the increase in deferred tax assets is due to the Company's deferred tax asset of € 838,779.56, from the deductible tax loss of the current financial year. It should be noted that the Company recorded a tax profit in financial year 2018, for which the corresponding income tax was allocated. Management believes that the possibility of a progressive tax offset of this financial year's loss is certain.

Deferred tax assets are broken down into:

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>31-12-19</u>	<u>31-12-18</u>	<u>31-12-19</u>	<u>31-12-18</u>
Impairment of Assets	1,643,315.78	1,768,584.52	1,584,995.78	1,707,834.52
Write-off of installation costs and other multiannual depreciation costs	0.11	0.12	0.07	0.08
Tax claim for tax losses	840,212.93	1,403.39	838,779.56	0.00
Provision for staff compensation	10,526.04	17,776.07	10,526.04	17,776.07
Other provisions	323,795.61	351,868.70	323,795.61	351,868.70
Total	<u>2,817,850.47</u>	<u>2,139,632.80</u>	<u>2,758,097.06</u>	<u>2,077,479.37</u>

The significant change in the above items in the current period relates to the parent company, and is focused on the increase in the "tax receivable for tax losses" as a result of the loss-making tax results for the period.

9.16. Cash and cash equivalents

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>31-12-19</u>	<u>31-12-18</u>	<u>31-12-19</u>	<u>31-12-18</u>
Fund	2,520.29	2,297.95	2,383.02	2,105.68
Demand deposits and time deposits	498,597.66	2,892,924.62	459,444.34	2,851,958.33
Mutual funds	0.00	3,939,696.50	0.00	3,939,696.50
Total	<u>501,117.95</u>	<u>6,834,919.07</u>	<u>461,827.36</u>	<u>6,793,760.51</u>

On 19/02/2015, the company invested an initial amount of € 6,000,000.00 in Foreign Asset Management Funds to preserve the value of the invested capital, as an investment characterized by very low risk and readily realizable. Between 12/11/2015 and 31/12/2018, partial redemption movements were carried out on the investment, for a total amount of € 2,000,000.00. On 12/03/2019, the redemption of the balance of the investment was completed, the proceeds of which were credited to a current account of the company abroad. The securities are valued at their current liquidation value at the reporting date. It should be noted that for the period from 1/1/2019 until their liquidation, a loss of € 3,463.68 was incurred, which was included in the financial expenses for the period.

9.17. Long-term liabilities

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>31-12-19</u>	<u>31-12-18</u>	<u>31-12-19</u>	<u>31-12-18</u>
Provision for staff compensation	52,103.90	83,752.77	52,103.90	83,752.77
Long-term lease liabilities	4,000.00	0.00	4,000.00	0.00
Deferred tax liability	165,579.80	114,191.09	165,548.60	114,162.33
Provision for tax audit differences	80,293.05	80,293.05	80,293.05	80,293.05
Total	<u>301,976.75</u>	<u>278,236.91</u>	<u>301,945.55</u>	<u>278,208.15</u>

The tax provision for the unaudited financial years of the company was calculated at 1% of the turnover of the respective financial years, which was restated in the fourth quarter of the respective financial year. The balance as of 31/12/2019 relates to the provision for the financial year 2010.

For the financial years 2011-2013, the audit has been completed in accordance with the provisions set out in para. 5 of article 82 of Law 2238/1994 and all the differences were charged to the respective financial years. For the financial years 2014-2017, as stated in Chapter 3 of the financial statements, the tax audit of the parent company and the subsidiary of IFIKLIS S.A. was carried out and completed in accordance with the provisions of Article 65 (a) of Law 4174/2013, without any additional tax liabilities.

No additional provision has been made for the unaudited years, because the Management has a reasonable expectation that the provision already formed exceeds the potential charge.

Also, in accordance with the provisions of IFRS 16, the long-term portion of the lease obligation was recorded as it became effective from 1/1/2019.

Deferred tax liabilities are broken down into:

stamp: AIKATERINI CH. KATECHI
LAWYER

Athens Bar Association Reg. Number: 26211
9, P. NIRVANA Street, FILOTHEI 15237
TIN: 100501319 – TAX OFFICE OF PSYCHIKO
TEL: 210 3447552 – MOBILE: 6972 994567

EKTER S.A.

ANNUAL FINANCIAL REPORT

Financial year from 1/1/2019 to 31/12/2019

	GROUP		COMPANY	
	31-12-19	31-12-18	31-12-19	31-12-18
From difference in valuation of buildings	9,762.35	10,169.11	9,762.35	10,169.11
From difference in valuation of machinery	6,803.53	5,837.62	6,803.53	5,837.62
From difference in valuation of transport vehicles	2,140.39	1,600.37	2,109.19	1,571.61
From provision for other income	0.00	0.00	0.00	0.00
Difference in revenue under the percentage-of-completion method	146,873.53	96,583.99	146,873.53	96,583.99
Total	165,579.80	114,191.09	165,548.60	114,162.33

The material change in the current year is due to the increase in the deferred tax liability from the accounting of revenue from construction contracts in accordance with IFRS.

	GROUP		COMPANY	
	<u>31-12-19</u>	<u>31-12-18</u>	<u>31-12-19</u>	<u>31-12-18</u>
Balance sheet liabilities for:				
Pension benefits	52,103.90	83,752.77	52,103.90	83,752.77
Total	<u>52,103.90</u>	<u>83,752.77</u>	<u>52,103.90</u>	<u>83,752.77</u>
Charges to profit or loss :				
Pension benefits	5,188.69	7,649.45	5,188.69	7,649.45
Total	<u>5,188.69</u>	<u>7,649.45</u>	<u>5,188.69</u>	<u>7,649.45</u>
The change in liabilities as shown in the balance sheet is as follows:				
Opening balance	83,752.77	76,103.32	83,752.77	76,103.32
Compensation paid	-70,951.50	0.00	-70,951.50	0.00
Payments in excess of those provided for	34,113.94	0.00	34,113.94	0.00
Total charged to the profit and loss account	5,188.69	7,649.45	5,188.69	7,649.45
Closing balance	<u>52,103.90</u>	<u>83,752.77</u>	<u>52,103.90</u>	<u>83,752.77</u>
The amounts recognized in the profit and loss account are as follows:				
Current employment costs	5,545.40	8,249.02	5,545.40	8,249.02
Financial costs	2,258.03	3,553.59	2,258.03	3,553.59
Net actuarial (gains)/losses recognized in the period	-2,614.74	-4,153.16	-2,614.74	-4,153.16
Differences due to changes in Law 2112/1920	0.00	0.00	0.00	0.00
Total included in employee benefits	<u>5,188.69</u>	<u>7,649.45</u>	<u>5,188.69</u>	<u>7,649.45</u>

A discount rate of 3.49% has been used for the calculations.

9.18. Bank liabilities (long-term — short-term)

During the current period, a loan of € 2,500,000.00 was obtained from a financial institution, which was used as working capital for the company's current needs.

9.19. Other short-term liabilities

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>31-12-19</u>	<u>31-12-18</u>	<u>31-12-19</u>	<u>31-12-18</u>
Suppliers - Subcontractors	493,290.84	2,264,946.28	492,979.52	2,264,117.11
Current lease obligations	46,575.17	0.00	46,575.17	0.00
Expenses Accrued	330,937.66	290,218.67	330,937.66	290,218.67
Customer advances	867,715.14	2,615,349.92	867,715.14	2,615,349.92
Project liabilities	812,748.36	1,564,066.00	812,748.36	1,564,066.00
Income tax payable	0.00	95,839.51	0.00	95,839.51
Taxes - fees payable	102,668.72	425,452.90	102,452.72	425,452.90
Liabilities to joint ventures	35,134.39	89,425.52	35,134.39	89,425.52
Dividends payable - M.K. Repayment	237,894.52	377,467.10	251,439.70	435,318.94
Other short-term liabilities	13,073.23	10,017.38	13,073.23	10,017.38
Deferred income	305,324.24	7,958.55	405,324.24	7,958.55
Grand Total	0.00	866,071.50	0.00	866,071.50
	<u>3,245,362.27</u>	<u>8,606,813.33</u>	<u>3,358,380.13</u>	<u>8,663,836.00</u>

All of the company's liabilities are on track.

The amount of € 46,575.17 represents the current portion of the lease liabilities, based on the provisions of IFRS 16, which was applied as of 1/1/2019.

Expenses Accrued as of 31/12/2018 amounted to € 290,218.67, related to invoices to subcontractors at the beginning of the financial year 2019, for certifications of work performed in the financial year 2018, as detailed in note 9.15 above.

The corresponding amount of € 330,937.66 as of 31/12/2019, mainly relates to subcontractor invoices at the beginning of the financial year 2020, for certifications of work performed in the financial year 2019.

The amount of advances from customers as of 31/12/2018 related to the collection of an interest-free advance payment for a construction contract signed in the previous financial year, with an unamortized balance as of 31/12/2018 amounting to € 792,217.17, which was amortized in the current financial year, while the balance relates to the pre-collection of a certification for the month of December, which was invoiced in January 2019. The

corresponding amount as of 31/12/2019 relates to the collection of interest-free advances under the construction contracts signed in the second half of the financial year 2019.

The reduction in project liabilities under the percentage-of-completion method is also significant.

The difference in liabilities under the item "taxes - fees" mainly relates to the obligation to pay VAT, while other taxes for the month of December 2018 were paid on time.

The change in other current liabilities, during the period, is mainly due to interest-free financing of € 100,000.00 from a subsidiary, and interest-free financing of € 250,000.00 from a parent company-customer. At the same time, deferred income was set to zero, as the amount as of 31/12/2018 related to the amortized balance of invoiced advances for work incorporated into the project during the current financial year.

The change in payables to suppliers - subcontractors is due to the decrease in activity in the second half of the current period, as new construction contracts were signed at the end of the financial year.

9.20. Maturity analysis of amounts due to third parties

GROUP LIABILITIES 31/12/2019

	<u>0-1 months</u>	<u>1-6 months</u>	<u>6-12 months</u>	<u>1-5 years</u>	<u>Total</u>
Suppliers - Subcontractors	200,835.56	180,224.53	0.00	112,230.75	493,290.84
Current lease obligations	3,782.65	19,179.68	23,612.84	0.00	46,575.17
Expenses Accrued	109,868.93	221,068.73	0.00	0.00	330,937.66
Customer advances	112,471.39	629,008.35	126,235.40	0.00	867,715.14
Project liabilities	812,748.36	0.00	0.00	0.00	812,748.36
Taxes and fees payable	35,180.56	67,488.16	0.00	0.00	102,668.72
Insurance bodies	35,134.39	0.00	0.00	0.00	35,134.39
Liabilities to joint ventures	237,894.52	0.00	0.00	0.00	237,894.52
Dividends payable	13,073.23	0.00	0.00	0.00	13,073.23
Other current liabilities					
	739.75	146,681.72	157,902.77	0.00	305,324.24
Grand Total	<u>1,561,729.34</u>	<u>1,263,651.17</u>	<u>307,751.01</u>	<u>112,230.75</u>	<u>3,245,362.27</u>

GROUP LIABILITIES 31/12/2018

	<u>0-1 months</u>	<u>1-6 months</u>	<u>6-12 months</u>	<u>1-5 years</u>	<u>Total</u>
Suppliers - Subcontractors	1,600,025.91	544,417.02	0.00	120,503.35	2,264,946.28
Accrued Expenses	290,218.67	0.00	0.00	0.00	290,218.67
Customer advances	2,005,446.03	609,903.89	0.00	0.00	2,615,349.92
Project liabilities	1,421,504.39	142,561.61	0.00	0.00	1,564,066.00
Liabilities from taxes - fees	242,674.97	182,777.93	95,839.51	0.00	521,292.41
Insurance bodies	89,425.52	0.00	0.00	0.00	89,425.52
Liabilities to joint ventures	377,467.10	0.00	0.00	0.00	377,467.10
Dividends payable	10,017.38	0.00	0.00	0.00	10,017.38
Other short-term liabilities	4,832.09	3,126.46	0.00	0.00	7,958.55
Revenue from the next year	0.00	866,071.50	0.00	0.00	866,071.50
Grand Total	<u>6,041,612.06</u>	<u>2,348,858.41</u>	<u>95,839.51</u>	<u>120,503.35</u>	<u>8,606,813.33</u>

9.21. Outstanding Obligations

Capital liabilities

There are no capital expenditures incurred but not executed at the date of the financial statements except for the return of capital to two joint ventures of the Company's shareholding for a total amount of € 8,133.33.

Operating lease obligations

The Group leases properties under operating leases. The leases have specific terms relating to the adjustment of the respective rent, as well as renewal rights, and other clauses, and usually have a term of more than 5 years at the time of initial signing.

The future total rents payable under the operating leases in effect as of December 31, 2018, are as follows:

GROUP LIABILITIES

	<u>31-12-18</u>
Up to 1 year	60,324.00
From 1 to 5 years	52,000.00
More than 5 years	0.00
Grand Total	<u><u>112,324.00</u></u>

s of 1/1/2019, based on the application of IFRS 16, these liabilities have been included in the Statement of Financial Position.

9.22. Equity capital

	GROUP		COMPANY	
	<u>31-12-19</u>	<u>31-12-18</u>	<u>31-12-19</u>	<u>31-12-18</u>
Share capital	5,850,000.00	5,850,000.00	5,850,000.00	5,850,000.00
Premium differences	8,360,843.73	8,360,843.73	8,360,843.73	8,360,843.73
Ordinary reserve	1,282,119.29	1,282,119.29	1,282,119.29	1,282,119.29
Extraordinary reserves	3,821,999.04	4,271,999.04	3,821,999.04	4,271,999.04
Tax-exempt special legal provisions	591,930.56	591,930.56	591,930.56	591,930.56
Exchange differences on consolidation	878.23	-447.62	0.00	0.00
Asset revaluation differences (recorded in equity)	46,588.41	46,588.41	46,588.41	46,588.41
Total other reserves	<u>5,743,515.53</u>	<u>6,192,189.68</u>	<u>5,742,637.30</u>	<u>6,192,637.30</u>
Asset revaluation differences (recorded to the profit and loss account)	-3,217,201.56	-3,217,201.56	-2,936,890.34	-2,936,890.34
IFRS transition reserve	184,318.96	184,318.96	0.00	0.00
Retained Earnings Balance	1,085,497.60	2,696,310.37	588,483.21	2,106,982.12
Total Retained Earnings	<u>-1,947,385.00</u>	<u>-336,572.23</u>	<u>-2,348,407.13</u>	<u>-829,908.22</u>
Total equity	<u><u>18,006,974.26</u></u>	<u><u>20,066,461.18</u></u>	<u><u>17,605,073.90</u></u>	<u><u>19,573,572.81</u></u>

The ordinary reserve is calculated at the end of the financial year, in accordance with the relevant decisions of the Company's governing bodies.

In the financial year 2017, based on the consolidation of the Romanian subsidiary, Foreign Exchange Consolidation Differences started to exist.

The Annual Ordinary General Meeting (OGM) of the Company on 28 June 2019 decided to distribute a dividend for the financial year 2018 for a total amount of € 450,000.00, while the

OGM of the Company on 29 June 2018 had decided respectively not to distribute a dividend for the financial year 2017.

9.23. Letters of guarantee in force

In the context of its activities, the Group has issued bank letters of guarantee, which are detailed below:

TYPE OF LETTER OF GUARANTEE	GROUP		COMPANY	
	<u>31-12-19</u>	<u>31-12-18</u>	<u>31-12-19</u>	<u>31-12-18</u>
Letter of guarantee for good performance	5,268,575.35	8,397,140.30	5,268,575.35	8,397,140.30
Letter of guarantee for an advance payment	1,524,860.75	792,217.17	1,524,860.75	792,217.17
Letter of guarantee for the securing of obligations	600,000.00	0.00	600,000.00	0.00
Letter of guarantee for participation in tenders	3,305,768.45	5,488,995.16	3,305,768.45	5,488,995.16
Letter of guarantee for tenths	1,669,640.14	1,872,364.22	1,669,640.14	1,872,364.22
Letter of guarantee for custody	47,700.00	81,712.00	47,700.00	81,712.00
Letter of guarantee for good functioning	0.00	125,000.00	0.00	125,000.00
TOTAL CAPITAL	<u>12,416,544.69</u>	<u>16,757,428.85</u>	<u>12,416,544.69</u>	<u>16,757,428.85</u>

In addition, under the relevant contracts, the Group has received guarantees to cover contractual obligations from suppliers which are detailed as follows:

TYPE OF GUARANTEE	GROUP		COMPANY	
	<u>31-12-19</u>	<u>31-12-18</u>	<u>31-12-19</u>	<u>31-12-18</u>
Bank letters of guarantee	0.00	0.00	0.00	0.00
Bank Cheques	0.00	25,000.00	0.00	25,000.00
TOTAL CAPITAL	<u>0.00</u>	<u>25,000.00</u>	<u>0.00</u>	<u>25,000.00</u>

The annual financial reporting statements of the Group and the Company from page 39 to page 87 were approved at the Board of Directors' meeting on 25.06.2020.

THE PRESIDENT OF THE
BOARD OF DIRECTORS
[signature]

ATHANASIOS K. SIPSAS
ID Card No. 060042/07

THE VICE-PRESIDENT OF THE
BOARD OF DIRECTORS &
MANAGING DIRECTOR
[signature]

KONSTANTINOS I. STOUMPOS
ID Card No. 058005/04

THE HEAD OF THE
ACCOUNTING DEPARTMENT
[signature]

KYRIAKOS TH. CHRISTOFAS
LICENCE NO 8577

V. DATA AND INFORMATION

EKTER S.A.				
CONSTRUCTION, BUILDING, REAL ESTATE, HOTEL, COMMERCIAL, INDUSTRIAL COMPANY				
General Commercial Registry No. 285201000 - (SA Reg. No. 2147/06/B/86/06)				
Headquarters: 15 Nikis Street, P.C. 105 57 , Athens				
DATA AND INFORMATION FOR THE FISCAL YEAR FROM 1 JANUARY 2019 TO 31 DECEMBER 2019				
The following data and information, derived from the financial statements, are intended to provide general information on the financial position and results of EKTER S.A. We therefore recommend the reader, before making any kind of investment choice or other transaction with the issuer, to refer to the issuer's website, where the financial statements and the statutory auditor's report are posted.				
Competent Service:		Ministry of Development and Investment, G.S. of Trade & Consumer Protection, Companies & General Commercial Registry Directorate		
Website:		www.ekter.gr		
Composition of the Board of Directors:		Athanasios Sipsas (President of the BoD / Executive Member), Konstantinos Stoumpos (Vice-President and Managing Director / Executive Member), Georgios Pliatsikas (Independent Non-Executive Member), Andronik Ioannidou (Non-Executive Member), Aristidis Papadopoulos (Independent Non-Executive Member)		
Date of approval of annual financial statements by the Board:		26-06-20		
Statutory auditor:		Dimitrios N. Drossos (ICPA (GR) Reg. No 31371)		
Audit firm:		Audit Opinion Ltd. (ICPA (GR) Reg. No 175)		
Type of audit report:		With unanimous opinion		
STATEMENT OF FINANCIAL POSITION (consolidated and non-consolidated) amounts in €				
ASSETS	GROUP		COMPANY	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Property, plant and equipment used by company itself	355,556.25	354,076.23	352,221.52	340,502.19
Investment property	7,891,000.00	7,891,000.00	7,829,000.00	7,829,000.00
Intangible assets	1.17	1.17	1.17	1.17
Other non-current assets	3,476,696.69	2,697,923.10	3,779,361.88	3,148,920.86
Inventories/Receivables from project execution	1,424,721.42	2,985,281.04	1,424,721.42	2,988,281.04
Trade receivables	6,861,547.84	2,466,167.15	6,860,431.84	2,462,819.15
Other current assets	3,543,672.96	5,599,143.66	3,057,834.39	5,032,332.04
Cash & cash equivalents	501,117.95	6,834,919.07	461,827.36	6,793,760.51
TOTAL ASSETS	21,054,313.28	28,951,511.42	23,765,399.58	28,515,816.96
EQUITY AND LIABILITIES	GROUP		COMPANY	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Share Capital	5,850,000.00	5,850,000.00	5,850,000.00	5,850,000.00
Other equity items	12,156,974.26	14,216,461.18	11,755,073.90	13,723,572.81
Total equity of parent company owners (a)	18,006,974.26	20,066,461.18	17,605,073.90	19,573,572.81
Provisions / Other long-term liabilities	301,976.75	278,236.91	301,845.55	278,208.15
Short-term loan liabilities	2,500,000.00	0.00	2,500,000.00	0.00
Other short-term liabilities	3,245,352.27	8,606,813.33	3,359,390.13	8,663,836.00
Total liabilities (b)	6,047,339.02	8,885,050.24	6,160,325.68	8,942,044.15
TOTAL EQUITY AND LIABILITIES (a)+(b)	21,054,313.28	28,951,511.42	23,765,399.58	28,515,816.96
STATEMENT OF COMPREHENSIVE INCOME (consolidated and non-consolidated) amounts in €				
	GROUP		COMPANY	
	01.01.31.12.2019	01.01.31.12.2018	01.01.31.12.2019	01.01.31.12.2018
Turnover	20,114,152.69	22,756,890.20	20,114,152.69	22,756,890.20
Gross profit / (loss)	-1,251,692.40	3,080,371.48	-1,251,692.40	3,080,371.48
Earnings / (loss) before interest, taxes, depreciation and amortisation	-2,655,633.29	1,673,772.52	-2,590,919.46	1,725,279.64
Profit / (loss) before tax	-2,262,059.35	1,456,660.21	-2,125,697.84	1,431,667.81
Post-tax profit / (loss) (A)	-1,610,812.77	531,683.40	-1,518,498.91	595,548.67
Parent company owners	-1,610,812.77	531,683.40	-1,518,498.91	595,548.67
Other comprehensive income net of tax (B)	0.00	0.00	0.00	0.00
Total comprehensive income net of tax (A) + (B)	-1,609,486.92	531,683.40	-1,518,498.91	595,548.67
Parent company owners	-1,609,486.92	531,683.40	-1,518,498.91	595,548.67
Basic post-tax earnings / (loss) per share (in Euro)	-0.1432	0.0473	-0.1350	0.0529
Earnings / (loss) before interest, taxes, depreciation and amortization	-2,562,352.66	1,772,736.81	-2,499,136.04	1,771,402.57
STATEMENT OF CASH FLOWS (annual consolidated and non-consolidated) amounts in €				
	GROUP		COMPANY	
	01.01.31.12.2019	01.01.31.12.2018	01.01.31.12.2019	01.01.31.12.2018
Operating Activities				
Accounts receivable	15,074,428.16	23,917,731.23	15,077,207.15	23,892,453.96
Payments to suppliers, employees etc.	-22,705,124.78	-20,897,323.71	-22,846,000.83	-20,801,217.28
Tax payments (collection of refunds)	-89,101.47	-457,677.22	-87,971.64	-455,844.36
Interest and related expenses paid	-349,756.97	-335,072.65	-349,693.97	-333,001.65
Total inflows / (outflows) from operating activities (a)	-8,068,555.06	2,268,657.65	-8,008,459.29	2,302,390.67
Investment Activities				
Payments for the acquisition of tangible and intangible assets	-3,088.87	-42,786.37	-12,088.87	-41,757.10
Proceeds from the sale of tangible and intangible assets	4,050.00	0.00	4,050.00	0.00
Interest earned	13,179.80	1,983.42	13,155.02	1,922.44
Proceeds (payments) from holdings, joint ventures, investment securities	-287,601.49	-281,100.00	-337,601.49	-81,900.00
Total inflows / (outflows) from investment activities (b)	-273,460.56	-321,902.95	-332,485.34	-121,734.66
Financing Activities				
Proceeds from issued / received loans	2,500,000.00	0.00	2,500,000.00	0.00
Payments of lease liabilities	-44,044.37	0.00	-44,044.37	0.00
Payable dividends	-445,944.15	-5,661.30	-445,944.15	-5,661.30
Total inflows / (outflows) from financing activities (c)	2,009,011.48	-5,661.30	2,009,011.48	-5,661.30
Net increase (decrease) in cash & cash equivalents for the year (a)+(b)+(c)	-6,333,004.14	1,942,093.40	-6,331,933.15	2,174,974.71
Cash and cash equivalents at beginning of year	6,834,919.07	4,892,860.39	6,793,760.51	4,618,766.00
Effect of exchange rate differences on cash and cash equivalents	-78.89	-32.72	0.00	0.00
Cash and cash equivalents at end of year	501,117.95	6,834,919.07	461,827.36	6,793,760.51
STATEMENT OF CHANGES IN EQUITY (consolidated and non-consolidated) amounts in €				
	GROUP		COMPANY	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Total equity at beginning of year (1.1.2019 and 1.1.2018 respectively)	20,066,461.18	19,534,788.03	19,573,572.81	18,978,024.14
Dividends paid	-450,000.00	0.00	-450,000.00	0.00
Total comprehensive income net of tax	-1,609,486.92	531,683.40	-1,518,498.91	595,548.67
Total equity at end of year (31.12.2019 and 31.12.2018 respectively)	18,006,974.26	20,066,461.18	17,605,073.90	19,573,572.81
Additional Data and Information:				
1. A lien amounting to €3,500,000.00 has been placed on properties owned by the company, in favour of a banking institution, in order to secure in part all manner of liabilities.		2. There are no disputes pending before the courts or in arbitration that could have a significant effect on the Group's financial position or operation.		
3. The tax audit of the parent company and the subsidiary of IFIKLIS S.A. for the financial years 2014-2017 was conducted and completed in accordance with the provisions of article 65a of Law 4174/2013 (Financial Statements Note 3).		4. No provisions have been set up for disputed claims or disputes under arbitration or other provisions, while for the unaudited financial years (2010, 2018 and 2019) a provision of € 80,293.05 has been set up at Company and Group level, as detailed in note 9.17 of the financial statements.		
5. The staff employed by the Company on 31/12/2019 numbered 30 persons versus 38 on 31/12/2018. The staff employed by the Group on 31/12/2019 numbered 40 persons versus 57 on 31/12/2018.		6. Total investments in fixed assets as of 31/12/2019 amount to € 12,088.87 at Company and Group level. Accordingly, for the financial year 2018, capital expenditure for the Company amounted to € 41,757.10 and € 42,786.37 for the Group.		
7. The consolidated financial statements include the following companies:				
Company Name	Headquarters	Shareholding Percentage	Open Tax Years	Consolidation Method
IFIKLIS S.A.	Greece	100%	2010 - 13 - 2018 - 19	Total
EKTER VENTURES SRL	Romania	100%	2017 - 2019	Total
PRIPU RESIDENCE SRL	Romania	50%	2017 - 2019	Equity
JJV "EKTER S.A. - ERTEKA S.A. - THEMELI S.A. - INTRAKAT"	Greece	24%	2011 - 2019	Equity
JJV "DOMIKI KRITIS S.A. - EKTER S.A. - ERETBOS S.A."	Greece	33.33%	2019 - 2019	Equity
JJV "AREEK CONSTRUCTION S.A. - BIOTER S.A. - AKTOR S.A. - EKTER S.A."	Greece	20%	2010 - 2019	Equity
JJV "IFIKLIS S.A. - TALOS S.A."	Greece	37.49%	2014 - 2019	Equity
JJV "ERETBO S.A. - EKTER S.A. - DOMIKI KRITIS S.A." (AG. VARVARA)	Greece	33.33%	2016 - 2019	Equity
Athens, 25 June 2020				
THE PRESIDENT OF THE BO D		THE MANAGING DIRECTOR		THE HEAD OF THE ACCOUNTING DEPARTMENT
ATHANASIOS K. SIPSAS ID Card No. AE368042/07		KONSTANTINOS I. STOUMPOS ID Card No. AAJ58005/04		KYRIAKOS TH. CHRISTOFAS LICENCE NO 85/7

**VI. INFORMATION UNDER ARTICLE 10 OF LAW 3401/2005 PUBLISHED BY THE COMPANY
DURING THE FINANCIAL YEAR 2019**

Pursuant to the applicable legislation, the Company has published and made available to the investing public on its website in the Financial Information - Annual Financial Statements section. Financial Statements (since 2005 under IAS) (www.ekter.gr) and on the website of the Athens Stock Exchange the information shown in the table below:

S/N	Subject	Date	Listing website
1	Notification of transactions by liable persons	04/12/2019	www.helex.gr
2	Announcement of the 2019 Financial Calendar	04/19/2019	www.helex.gr
3	Announcement of regulated information under Law 3556/2007	04/24/2019	www.helex.gr
4	Announcement of the pre-announcement of the General Meeting of EKTER S.A.	06/07/2019	www.helex.gr
5	Announcement of resolutions of the Annual General Meeting of EKTER S.A.	06/28/2019	www.helex.gr
6	Notification of dividend entitlement/ dividend payment	06/28/2019	www.helex.gr
7	New project contract	09/03/2019	www.helex.gr
8	Announcement of regulated information under Law 3556/2007	09/30/2019	www.helex.gr
9	New project contract	10/14/2019	www.helex.gr
10	Notification of change in percentage of shares at voting rights level	10/18/2019	www.helex.gr
11	Notification of transactions by liable persons	10/31/2019	www.helex.gr
12	Notification of transactions by liable persons	11/01/2019	www.helex.gr
13	Notification of transactions by liable persons	11/05/2019	www.helex.gr
14	New project contract	12/23/2019	www.helex.gr

stamp: AIKATERINI CH. KATECHI
LAWYER
Athens Bar Association Reg. Number: 26211
9, P. NIRVANA Street, FILOTHEI 15237
TIN: 100501319 – TAX OFFICE OF PSYCHIKO
TEL: 210 3447552 – MOBILE: 6972 994567

EKTER S.A.
ANNUAL FINANCIAL REPORT
Financial year from 1/1/2019 to 31/12/2019

VII. WEBSITE WHERE THE ANNUAL FINANCIAL REPORT IS PUBLISHED

The annual financial statements of the Company and the Group, the Auditor's Report, and the Report of the Board of Directors for the financial year 2019 are available online at www.ekter.gr.

[stamp: True photocopy of the original presented
Athens, 18/7/2022
The certifying lawyer]

stamp: AIKATERINI CH. KATECHI
LAWYER
Athens Bar Association Reg. Number: 26211
9, P. NIRVANA Street, FILOTHEI 15237
TIN: 100501319 – TAX OFFICE OF PSYCHIKO
TEL: 210 3447552 – MOBILE: 6972 994567

[signature]