

**TEKAL S.A.**

**ANNUAL  
FINANCIAL STATEMENTS**

**December 31, 2019**

# **TEKAL S.A.**

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*For the year ended December 31, 2019*

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**INDEPENDENT AUDITOR'S REPORT  
To the Board of Directors of TEKAL S.A  
Report on the Financial Statements**

**Opinion**

We have audited the attached financial statements of « **TEKAL S.A.**» **(the Company)**, which comprise of the Balance Sheet as at 31 December 2019, the Profit and Loss Account Statement, Changes in equity and Cash flows for the year then ended, as well as a summary of significant accounting principles and methods and other explanatory information. In our opinion, the attached financial statements give a true and fair view of the financial position of the above Company as of 31 December 2019, of its financial performance and cash flow for the year then ended in accordance to the Greek standards.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing, incorporated into Greek Law. Our responsibilities under those standards, are further described in the paragraph of our report "Auditor's Responsibilities for the Auditing of Financial Statements. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants as incorporated in the Greek Legislation and ethical requirements relating to the audit of financial statements in Greece and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Management's Responsibility for the Financial Statements**

The Management of the company has the responsibility for the preparation and fair presentation of the financial statements in accordance to the Greek standards as well as for those internal controls which the management determines as necessary for the preparation of financial statements free of material misstatement due to either fraud or error.

In preparing the financial statements, the management is responsible for assessing the Company's ability to continue operating, disclosing where relevant the matters relating to the continuing activity and the use of the accounting basis of the continuing activity, if the management either

intends to liquidate the Company or to discontinue its activity or has no other realistic alternative than to proceed with these actions.

### **Auditor's Responsibility**

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

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

- Identify and assess the risks of material misstatement of the corporate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Collect sufficient and appropriate audit evidence about the financial information of entities to express an opinion on corporate financial statements. We are responsible for the guidance, the supervision and the execution of the audit of the Company. We remain solely responsible for our audit opinion.

Among other issues, we notify to the management, the planned scope and timing of the audit, as well as significant audit findings, including any significant deficiencies in internal control that we detect during our audit.

ATHENS 30th June, 2020.

THE GREEK PUBLIC CERTIFIED AUDITOR

**KAPSALI KONSTANTINA**

**NEXIA EUROSTATUS A.E**

Reg.No. SOEL 141

Reg No ELTE 12

Reg.No. SOEL 16021

Reg.No. ELTE 1368

## ASSETS

<b>Non-Current assets</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Total Fixed assets	12.307.174	12.410.662	6.004.691
Other non current assets	1.995.769	1.990.971	1.935.493
	<b>14.302.943</b>	<b>14.401.633</b>	<b>7.940.184</b>
<b>Current assets</b>			
Inventories	2.579.540	2.657.359	3.091.415
Receivables	8.997.211	12.260.872	12.535.638
Receivable from parent company	10.422.128	9.215.588	11.299.014
Prepaid and deferred expenses	3.695.070	3.219.612	744.807
Stocks	37.547	10.614	49.226
Cash in hand	296.650	75.891	251.786
Cash in banks	2.368.419	5.922.585	12.208.993
	<b>28.396.565</b>	<b>33.362.520</b>	<b>40.180.879</b>
<b>Total assets</b>	<b>42.699.508</b>	<b>47.764.153</b>	<b>48.121.063</b>
<b>EQUITY and LIABILITIES</b>			
<b>Equity</b>			
Share capital	5.226.774	5.226.774	5.226.774
Capital reserves	10.341.262	11.371.685	10.771.685
Retained earnings	9.856.506	17.076.203	17.139.669
<b>Total equity</b>	<b>25.424.543</b>	<b>33.674.663</b>	<b>33.138.129</b>
<b>Non-Current liabilities</b>			
Long term debt - net of current portion	3.068.995	2.838.000	1.296.000
Gredit deferred taxes	680.330	729.595	712.020
Provisions	169.304	177.010	198.834
	<b>3.918.628</b>	<b>3.744.605</b>	<b>2.206.854</b>
<b>Current liabilities</b>			
Suppliers	3.396.817	2.770.863	6.048.589
Short-term indebtedness to banks	7.212.592	4.438.009	252.000
Taxes payable	164.919	319.398	1.534.930
Sundry creditors	2.582.010	2.816.615	4.940.561
<b>Total other liabilities</b>	<b>13.356.337</b>	<b>10.344.886</b>	<b>12.776.080</b>
<b>Total liabilities and equity</b>	<b>42.699.508</b>	<b>47.764.153</b>	<b>48.121.063</b>

	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Sales of TEKAL S.A.</b>	5.224.980	25.457.204	31.865.612
Less: cost of sales	10.935.914	22.540.479	27.260.500
	<u>-5.710.935</u>	<u>2.916.725</u>	<u>4.605.112</u>
<b>Plus:</b> Other operating income	350.254	174.385	312.920
Total	<u>-5.360.681</u>	<u>3.091.110</u>	<u>4.918.032</u>
<b>Less:</b> Administration expenses	-1.547.378	-1.533.256	-1.556.477
Distribution expenses	-386.845	-292.049	-245.935
Other operating expenses	-74.561	-213.433	-105.649
<b>Gross operating profits</b>	<b>-7.369.465</b>	<b>1.052.373</b>	<b>3.009.972</b>
<b>Plus:</b> Interest and related income	137.755	72.427	279.064
<b>Less:</b> Interest and related expenses	-581.522	-197.496	-109.649
<b>NET PROFIT FOR THE YEAR</b>	<u>-7.813.231</u>	<u>927.304</u>	<u>3.179.387</u>
<b>Plus:</b>			
TAXES	-6.465	-390.770	-991.589
<b>AFTER TAXES</b>	<u><b>-7.819.697</b></u>	<u><b>536.534</b></u>	<u><b>2.187.798</b></u>

	<u>Equity</u>			
	<u>Share Capital</u>	<u>Capital reserves</u>	<u>Retained Earnings</u>	<u>Total</u>
<b>Balance at December 31, 2015</b>	<u>5.226.774</u>	<u>14.600.914</u>	<u>5.718.817</u>	<u>25.546.505</u>
Total comprehensive loss for the period after tax			16.654.607	<b>16.654.607</b>
Share capital paid		2.995.967	-2.995.967	<b>0</b>
Share capital paid			-10.650.000	-10.650.000
<b>Balance at December 31, 2016</b>	<u>5.226.774</u>	<u>17.596.881</u>	<u>8.727.457</u>	<u>31.551.112</u>
Total comprehensive loss for the period after tax			2.187.798	2.187.798
Share capital paid		-781		-781
Share capital paid			-600.000	-600.000
<b>Balance at December 31, 2017</b>	<u>5.226.774</u>	<u>17.596.100</u>	<u>10.315.255</u>	<u>33.138.130</u>
Total comprehensive loss for the period after tax			536.534	536.534
<b>Balance at December 31, 2018</b>	<u>5.226.774</u>	<u>17.596.100</u>	<u>10.851.788</u>	<u>33.674.663</u>
Total comprehensive loss for the period after tax			(7.819.696,79)	(7.819.696,79)
Payment of dividends			(400.000,00)	(400.000,00)
Capital reserves		(30.422,89)		(30.422,89)
<b>Balance at December 31, 2019</b>	<u>5.226.774</u>	<u>17.565.677</u>	<u>2.632.092</u>	<u>25.424.543</u>

	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Cash flows from operating activities:</b>			
Net profit/(loss) before taxation and extraordinary items	-7.813.231	927.304	3.179.387
Adjustments for:			
Depreciation and amortization	252.728	216.267	189.586
Provision for special survey	-12.294	-21.824	12.732
Investment income	26.932	-38.612	10.115
Interest expense	443.766	125.069	-169.415
Operating profit before working capital changes			
(Increase)/Decrease in receivables	1.554.729	-86.883	2.469.996
(Increase)/Decrease in prepaid expense			
(Increase)/Decrease in inventories	77.819	859.056	533.412
(Increase)/Decrease in liabilities	187.603	-7.015.746	-3.424.791
Increase/(decrease) in accounts payable - trade			
Cash generated from operating activities	-56.154	-411.402	-951.832
Interest paid	-582.761	-197.496	-109.649
<b>Net cash generated from operating activities</b>	<b><u>-5.920.863</u></b>	<b><u>-5.644.266</u></b>	<b><u>1.739.541</u></b>
<b>Cash flows from investment activities:</b>			
Acquisition of tangible assets			
Capital expenditure			
Other financial assets	-157.117	-6.618.472	-457.182
Receivable from parent company			
Interest received	<u>138.995</u>	<u>72.427</u>	<u>279.064</u>
<b>Net cash generated/(used) in investment activities</b>	<b><u>-18.122</u></b>	<b><u>-6.546.046</u></b>	<b><u>-178.118</u></b>
<b>Cash flow from financing activities:</b>			
Proceeds from capital increase			
Loan proceeds	230.995	4.186.009	0
Principal repayments of long-term debt	<u>2.774.583</u>	<u>1.542.000</u>	-252.000
Payment of dividends	-400.000	0	-600.000
<b>Net cash provided by financing activities</b>	<b><u>2.605.578</u></b>	<b><u>5.728.009</u></b>	<b><u>-852.000</u></b>
<b>Increase / (decrease) in cash and cash equivalents</b>	<b>3.333.407</b>	<b>-6.462.303</b>	<b>709.424</b>
Cash and cash equivalents at beginning of period	5.998.476	12.460.779	11.751.355
<b>Cash and cash equivalents at end of period</b>	<b>2.665.069</b>	<b>5.998.476</b>	<b>12.460.779</b>

Athens , 20/6/2020

**THE PRESIDENT**

**PANAGIOTIS  
PSALTAKOS**

**THE VICE  
PRESIDENT**

**A. PSALTAKOU**

**THE ACCOUNTANT**

**G. STATHIS**