

SENTRADE S.A. – GREECE

**AUDITOR'S REPORT
AND
FINANCIAL STATEMENTS**

31 DECEMBER, 2019

SENTRADE S.A. - GREECE
FINANCIAL STATEMENTS
31 DECEMBER, 2019

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**Independent Auditor's Report
To the Shareholders of
SENTRADE S.A - GREECE**

Opinion

We have audited the financial statements of **SENTRADE S.A – GREECE** (the Company), which comprise the statement of financial position as at 31 December, 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (set out on pages 8-35).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December, 2019 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Other Matter

The Company has prepared another set of financial statements in accordance with Greek Accounting Standards. We have expressed an unmodified opinion on those financial statements.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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 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.

A further description of the auditor's responsibilities for the audit of the financial statements is included in the following Appendix which forms part of our auditor's report.

Piraeus, Greece
16 June, 2020

A handwritten signature in blue ink that reads "Moore Stephens". The signature is written in a cursive, flowing style.

APPENDIX

Auditor's Responsibilities for the Audit of the Financial Statements

As part of an audit in accordance with International Standards on Auditing (ISAs), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

SENTRADE S.A. -GREECE
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER, 2019
(Expressed in Euros)

	<u>Note</u>	<u>2019</u>	<u>2018</u>
Assets			
Non-current assets			
Property, plant and equipment	9	5.220,81	5.563,08
Right-of-use assets	10	142.826,18	--
Other intangible assets	9	920,30	1.409,66
Other non current assets	11	<u>624.164,88</u>	<u>554.164,88</u>
Total non current assets		<u>773.132,17</u>	<u>561.137,62</u>
Current assets			
Trade and other receivables	12	664.727,47	434.504,29
Related parties Receivable	13	205.729,30	20.209,14
Derivative financial instruments receivable	14	54.812,16	--
Deferred expenses & Accrued income	15	425.306,27	130.596,64
Cash and cash equivalents	16	<u>1.258.984,32</u>	<u>1.179.128,67</u>
Total current assets		<u>2.609.559,52</u>	<u>1.764.438,74</u>
Total assets		<u>3.382.691,69</u>	<u>2.325.576,36</u>
Equity and liabilities			
Equity			
Share Capital	17	1.000.000,00	1.000.000,00
Reserves	17	78.704,53	23.883,74
Retained Earnings		<u>422.629,15</u>	<u>453.790,94</u>
Total equity		<u>1.501.333,68</u>	<u>1.477.674,68</u>
Liabilities			
Non- current liabilities			
Lease liabilities	18	<u>152.991,60</u>	--
Total non- current liabilities		<u>152.991,60</u>	--
Current liabilities			
Short term Intra-group Loans	19	900.000,00	600.000,00
Trade and other payables	20	207.943,57	105.411,41
Related parties payable	21	207.721,92	--
Lease liabilities	18	21.160,42	--
Other liabilities	22	250.000,00	
Current tax liabilities	23	6.773,02	68.513,03
Accruals	24	128.915,12	68.175,37
Withholdings	25	<u>5.852,36</u>	<u>5.801,87</u>
Total current liabilities		<u>1.728.366,41</u>	<u>847.901,68</u>
Total liabilities		<u>1.881.358,01</u>	<u>847.901,68</u>
Total equity and liabilities		<u>3.382.691,69</u>	<u>2.325.576,36</u>

Notes forming an integral part of the financial statements set out on pages 8 to 35.

SENTRADE S.A. -GREECE
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER, 2019
(Expressed in Euros)

	<u>Note</u>	<u>2019</u>	<u>2018</u>
Continuing operations			
Revenue	5	8.187.473,68	8.679.913,17
Cost of sales	6	<u>(7.351.470,29)</u>	<u>(7.906.867,07)</u>
Gross profit		836.003,39	773.046,1
Distribution expenses	6	(615.335,89)	(446.964,79)
Administrative expenses	6	<u>(28.693,75)</u>	<u>(4.079,18)</u>
Operating Profit		191.973,75	322.002,13
Financial Income/(Expenses)			
Interest earned		219,71	182,85
Bank and other interest and charges		(12.611,17)	(7.686,56)
Intra-group loan interest		(3.563,02)	(2.539,73)
Lease interest cost	18	(14.830,11)	--
Results from derivative financial instruments	7	(161.047,20)	5.226,30
Exchange difference		<u>--</u>	<u>(11,83)</u>
		(191.831,79)	(4.828,97)
Other Income/(Expenses)			
Sundry		<u>(1.228,28)</u>	<u>4.219,17</u>
		(1.228,28)	4.219,17
(Loss) / Profit before income tax		(1.086,32)	321.392,33
Income tax expense	8	<u>(1.819,48)</u>	<u>(133.319,78)</u>
(Loss) / Profit for the year and total comprehensive income for the year		<u>(2.905,80)</u>	<u>188.072,55</u>

Notes forming an integral part of the financial statements set out on pages 8 to 35.

SENTRADE S.A. –GREECE
STATEMENT OF CHANGES IN EQUITY
31 DECEMBER, 2019
(Expressed in Euros)

	<u>Share capital</u>	<u>Derivative Reserve</u>	<u>Statutory Reserve</u>	<u>Retained Earnings</u>	<u>Total equity</u>
Balance at 1 January 2018	1.000.000,00	--	14.480,11	275.122,02	1.289.602,13
Profit for the year	--	--	--	188.072,55	188.072,55
Reserves	--	--	9.403,63	(9.403,63)	--
Balance at 31 December 2018	1.000.000,00	--	23.883,74	453.790,94	1.477.674,68
Balance at 31 December 2018 (As previously reported)	1.000.000,00	--	23.883,74	453.790,94	1.477.674,68
Effect of change in accounting policy (IFRS 16)	--	--	--	(28.247,36)	(28.247,36)
Restated Balance at 1 January, 2019	1.000.000,00	--	23.883,74	425.543,58	1.449.427,32
Loss for the year	--	--	--	(2.905,80)	(2.905,80)
Reserves	--	54.812,16	8,63	(8,63)	54.812,16
Balance at 31 December 2019	1.000.000,00	54.812,16	23.892,37	422.629,15	1.501.333,68

Notes forming an integral part of the financial statements set out on pages 8 to 35.

SENTRADE S.A. –GREECE
STATEMENT OF CASH FLOWS
31 DECEMBER, 2019
(Expressed in Euros)

	<u>Note</u>	<u>2019</u>	<u>2018</u>
Cash flows from operating activities			
(Loss) / Profit for the year		(2.905,80)	188.072,55
Items not affecting cash flows			
Depreciation & amortization on assets	9	6.004,30	4.079,18
Depreciation on right-of-use assets	18	22.689,45	--
Income tax expense	8	1.819,48	133.319,78
Loan interest expenses		3.563,02	2.539,73
Lease interest expenses	18	14.830,11	--
Interest earned		<u>(219,71)</u>	<u>(182,85)</u>
		45.780,85	327.828,39
Change in operating assets and liabilities			
Trade and other receivables		(230.223,18)	(305.103,19)
Related parties		22.201,76	(22.444,48)
Other non-current assets		(70.000,00)	270.000,00
Deferred expenses & Accrued income		(294.709,63)	(83.300,84)
Trade and other payables		102.532,16	45.809,11
Other short term-liabilities		250.000,00	--
Withholdings		50,49	834,11
Taxes and dues		136.599,76	186,58
Taxes paid	8	(200.159,25)	(131.960,62)
Accruals		59.716,46	(101.864,80)
Interest Received		<u>219,71</u>	<u>182,85</u>
Net cash (used in)/provided by operating activities		(177.990,87)	167,11
Cash flows from investing activities			
Acquisition of tangible assets	9	(4.809,67)	(4.293,39)
Acquisition of intangible assets	9	(363)	(1.896,12)
Derivative financial instrument		--	<u>132.142,16</u>
Net cash (used in) / provided by investing activities		<u>(5.172,67)</u>	<u>125.952,65</u>
Cash flows from financing activities			
Proceeds from Loan	19	300.000,00	300.000,00
Loan Interest Paid		(2.539,73)	(1.500,00)
Payment of lease liabilities-Principal	26	(19.610,98)	--
Payment of lease liabilities-Interest	26	<u>(14.830,11)</u>	--
Net cash provided by financing activities		263.019,19	298.500,00
Net increase in cash and cash equivalents		79.855,65	424.619,76
Cash and cash equivalents at the beginning of the year		1.179.128,67	754.508,91
Cash and cash equivalents at the end of the year	16	1.258.984,32	1.179.128,67

Notes forming an integral part of the financial statements set out on pages 8 to 35.

SENTRADE S.A.-GREECE
Notes to the financial statements
31 December, 2019

1. Company's information - Presentation of financial statements

SENTRADE S.A. - Greece (the Company) was incorporated on 13 May, 2013 and is a company registered in Greece as Societe Anonyme. The registered address of the company is Kithiron 12, Alimos Greece. Sentrade SA (Greece) is a wholly-owned subsidiary of the Luxembourg holding company "Sentrade Holding SA". The Company's General Commercial Registry No. is 125361301000.

The main activities of the Company are:

- Supply, distribution and trading of electricity power.
- Trading in greenhouse gas emission.
- The design, development, consideration, engineering consulting, construction granting of authorization, finance, operation, and commercial exploitation of electric power production units.
- Consulting services related to above
- All related to the above activities including hedging using derivatives, futures contracts, forwards, options, swaps, CFD's, etc).
- Investments in bonds, equities, derivatives or any similar financial products relating to the purposes of investment
- Mutual funds.
- Private equity funds.
- Venture capital funds.

The duration of the Company is 50 years.

The financial statements have been prepared according to the principle of historical cost, save the financial derivative instruments that are presented at fair value, and in accordance with the International Financial Reporting Standards (IFRS) and their interpretations, as adopted by the European Union, on the basis of the going concern principle.

The financial statements are presented in Euro which is the Company's functional currency. All financial information is given in Euro and has not been rounded to the nearest unit.

The above notes are an integral part of these financial statements

SENTRADE S.A.-GREECE
Notes to the financial statements
31 December, 2019

2. Adoption of new and revised International Financial Reporting Standards

The following standards and amendments have become effective for the annual periods commencing on or after 1 January 2019

- ❖ IFRS 16 Leases
- ❖ Amendments to IAS 19 Plan Amendment, Curtailment or Settlement

Accounting policies have been adjusted accordingly, and impact of the policies is disclosed if relevant and material for the Company. With exception of IFRS 16 as outlined below, the impact of other standards has not been significant and prior periods have not been restated. Any current or future impact is also expected to be minimal, however where applicable to the Company, further information is available in the appropriate disclosure notes.

A. Standards and Interpretations issued which have been adopted in the current period:

- **IFRS 16 Leases**

IFRS 16 'Leases' which supersedes IAS 17 'Leases' provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements for both lessors and lessees. For any new contracts entered into on or after 1 January 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

- The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company
- The Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- The Company has the right to direct the use of the identified asset throughout the period of use. The Company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

The above notes are an integral part of these financial statements

SENTRADE S.A.-GREECE
Notes to the financial statements
31 December, 2019

2. Adoption of new and revised International Financial Reporting Standards

A. Standards and Interpretations issued which have been adopted in the current period: (cont'd)

Impact on Lessee Accounting

Operating leases

• Initial Measurement and recognition of leases as a lessee

At lease commencement date, the Company recognised a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received). The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measured the lease liability at the present value of the lease payments unpaid at that date, discounted using the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments.

• Subsequent Measurement of leases as a lessee

Subsequent to initial measurement, the liability is reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Impact on Lessor Accounting

Under IFRS 16, a lessor continues to classify leases as either finance leases or operating leases and account for those two types of leases differently. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset, and classified as an operating lease if it does not.

In applying IFRS 16 for the first time, the group has used the following practical expedients permitted by the standard:

The above notes are an integral part of these financial statements

SENTRADE S.A.-GREECE
Notes to the financial statements
31 December, 2019

2. Adoption of new and revised International Financial Reporting Standards (cont'd)

- ❖ applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- ❖ relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review – there were no onerous contracts as at 1 January 2019
- ❖ accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases
- ❖ excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- ❖ using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The management of the Company has reviewed and assessed the Company's existing leasing agreements as at 1 January 2019 and has adopted the new accounting pronouncements. The adoption of the new Standard has resulted in the Company recognising a right-of-use asset and related lease liability in connection with all former operating leases except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application. The discount rate applied was the Company's incremental borrowing rate (8.29% p.a. for its Company's leased office premises and 3,79% p.a. for Company's leased vehicles) since the interest rate implicit in the lease was not readily available.

The Company has adopted IFRS 16 Leases retrospectively with the cumulative effect of initially applying the Standard recognised at the date of initial application (1 January 2019). As such, the Company has not restated comparatives for the 2018 reporting period. The reclassifications and the adjustments arising from adoption are recognised in the opening balance sheet on 1 January 2019

	31 December 2018 (Reported)	IFRS 16	1 January 2019 (Restated)
<i>Financial statement line item</i>			
<i>Non-current assets</i>			
ROU assets	--	165.515,64	165.515,64
<i>Equity</i>			
Retained earnings/ (Deficit)	453.790,94	(28.247,36)	425.543,58
<i>Non-current liabilities</i>			
Lease liabilities	--	174.152,01	174.152,01
<i>Current liabilities</i>			
Lease liabilities	--	19.610,99	19.610,99

The above notes are an integral part of these financial statements

SENTRADE S.A.-GREECE
Notes to the financial statements
31 December, 2019

2. Adoption of new and revised International Financial Reporting Standards (cont'd)

B. New standards and amendments in issue but not yet effective in the period on or after

The following standards and amendments will become effective for the annual periods beginning on or after 1 January 2020.

- ❖ *Amendments to IAS 1 and IAS 8 Definition of Material*
- ❖ *Revised Conceptual Framework for Financial Reporting*

Amendments to IAS 1 and IAS 8 on the definition of material

The Standard principally amends IAS 1 and IAS 8. The amendments refine the definition of material in IAS 1. The amendments clarify the definition of material and its application by improving the wording and aligning the definition across IFRSs and other publications. The amendment also includes some supporting requirements in IAS 1 in the definition to give it more prominence and clarifies the explanation accompanying the definition of material.

3. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented, unless otherwise stated.

3.1. Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') and IFRIC interpretations. The financial statements have been prepared on the historical convention save the financial derivative instruments that are presented at fair value.

3.2. Foreign currency translation

Transactions dominated in foreign currencies are translated into Euros using the rate ruling at the date of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Gains and losses arising on exchange are included in the statement of comprehensive income.

Foreign currency differences arising on retranslation are recognized in profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments, financial liabilities that are designated as hedges of the net investment in a foreign operation and qualifying cash flow hedges, each of which are recognized directly in equity within the translation reserve.

The above notes are an integral part of these financial statements

SENTRADE S.A.-GREECE
Notes to the financial statements
31 December, 2019

3. Significant accounting policies (cont'd)

3.3. Revenue recognition

Turnover represents the total invoiced value of sales of commodities (mainly electricity trading and secondary from capacity trading) during the year.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable

3.4. Taxation

Income tax expense represents the sum of the current tax and deferred tax.

The charge for current tax is based on the result for the year adjusted for items which are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Current and deferred tax is recognised in the income statement unless the item to which the tax relates was recognised outside the income statement being other comprehensive income or equity. The tax associated with such an item is also recognised in other comprehensive income or equity respectively.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amounts of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

A change in deferred tax assets and liabilities as a result of a change in the tax rates or laws are recognised in profit and loss or other comprehensive income to the extent that it relates to items previously recognised in other comprehensive income.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

The above notes are an integral part of these financial statements

SENTRADE S.A.-GREECE
Notes to the financial statements
31 December, 2019

3. Significant accounting policies (cont'd)

3.5. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation.

Depreciation is calculated, using the straight-line method with the following rates.

Machinery & Equipment	10 & 20%
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3.6. Intangible Assets

Software licenses are carried at cost less depreciation. Amortisation is calculated by the straight-line method over these items' useful life.

Expenses required for software development and maintenance are recognized as expenses when incurred.

3.7. Impairment of non-financial Assets

At each reporting date, the Company reviews the carrying amounts of its tangible and intangible assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

If the recoverable amount of the asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately. Where an impairment loss subsequently reverses, the carrying amount of an asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

3.8. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The above notes are an integral part of these financial statements

SENTRADE S.A.-GREECE
Notes to the financial statements
31 December, 2019

3. Significant accounting policies (cont'd)

3.8. Leases (cont'd)

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

SENTRADE S.A.-GREECE
Notes to the financial statements
31 December, 2019

3. Significant accounting policies (cont'd)

3.9. Financial instruments

(a) Recognition and derecognition

Financial assets and financial liabilities, other than derivative financial instruments, are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. Trade receivables are recognised at transaction cost, if they do not contain a significant financing element (IFRS 15).

Financial assets are derecognized when:

- the contractual rights to cash flows from the financial assets expire, or
- the asset is transferred such that contractual rights to cash flows of the assets and the risks and rewards of ownership are transferred.

On de-recognition, the Company recognizes the differences between carrying amount and consideration received to profit or loss.

Financial liabilities are derecognized when, and only when, the obligation is extinguished – i.e. when the obligation specified in the contract is discharged or cancelled or expires. The gain or loss between the carrying amount and amount paid is recognized in profit or loss.

The above notes are an integral part of these financial statements

SENTRADE S.A.-GREECE
Notes to the financial statements
31 December, 2019

3. Significant accounting policies (cont'd)

3.9. Financial instruments (cont'd)

(b) Classification and subsequent measurement of financial assets

Measurement of financial assets depends on the classification, which is determined by the business model for holding the asset and characteristics of its cash flows.

i) Amortised cost

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest is calculated using the effective interest method and is included in finance income in profit or loss.

ii) Fair value through other comprehensive income (FVOCI)

Debt instruments that meet the following conditions are classified and measured subsequently at FVOCI:

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

Changes in fair value for these assets flow through OCI. Interest income is calculated and presented as above. On derecognition, gains and losses are recycled to profit or loss.

iii) Fair value through profit or loss (FVTPL)

All other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

For equity instruments that the Company considers to be long term strategic investments, the Company has taken the election in IFRS 9 to present the changes in fair value through other comprehensive income. Unlike (ii) above, on sale of investments, the cumulative OCI gain/loss will be transferred within equity and will not be recycled through profit or loss.

Dividends are recognized as other income when there is a right to receive payment.

The above notes are an integral part of these financial statements

SENTRADE S.A.-GREECE
Notes to the financial statements
31 December, 2019

3. Significant accounting policies (cont'd)

3.9. Financial instruments (cont'd)

(c) Classification and measurement of financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Classification and measurement of financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities, which are measured at amortised cost. Financial liabilities are classified at fair value through profit or loss if they are either held for trading or they are otherwise designated within this classification. Gains and losses on such financial liabilities are recognised within other gains and losses in the statement of comprehensive income.

A financial liability is classified as held for trading if: (a) it has been acquired principally for the purposes of subsequent short-term repurchase; (b) on initial recognition it is part of a portfolio of identified financial instruments which have a pattern of short-term profit taking; or (c) it is a derivative financial instrument that is not designated and effective as a hedging instrument.

(d) Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. Currently the Company does not offset financial assets and financial liabilities.

The above notes are an integral part of these financial statements

SENTRADE S.A.-GREECE
Notes to the financial statements
31 December, 2019

3. Significant accounting policies (cont'd)

3.9. Financial instruments (cont'd)

(e) Impairment of financial assets

The Company assesses at each reporting date whether the value of a financial asset or a group of financial assets has been impaired as follows:

The Company recognizes a provision for impairment against expected credit losses for all financial assets that are measured at amortised cost and FVOCI. Expected credit losses are based on the difference between all contractual cash flows that are payable under the contract and all cash flows that the Company expects to receive, discounted at the approximate original effective interest rate.

Expected credit losses are recognized in two stages. If the credit risk of a financial instrument has not increased significantly from the initial recognition, an entity measures the provision for a loss on that financial instrument at an amount equal to the expected credit losses that result from default events that are possible within the 12 months after the reporting date. If the credit risk of the financial instrument has increased significantly from the initial recognition, an entity measures the provision for a financial instrument at an amount equal to the expected credit loss over the life of the asset, regardless of when the breach occurred.

(f) Derivative financial instruments

Derivatives are recognised initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately, together with transaction costs, unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the financial statements unless the Company has both legal right and intention to offset.. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

SENTRADE S.A.-GREECE
Notes to the financial statements
31 December, 2019

3. Significant accounting policies (cont'd)

3.10. Trade receivables

Trade receivables are amounts due from customers for services or sales performed in the ordinary course of business. Trade receivables are stated at their amortised cost less any allowances for doubtful receivables. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

3.11. Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks, and investments in money market instruments which are readily convertible, being those with original maturities of three months or less.

3.12. Borrowings and borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in net profit or loss in the period in which they are incurred.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

3.13. Share capital

Ordinary shares are classified as equity.

3.14. Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

The above notes are an integral part of these financial statements

SENTRADE S.A.-GREECE
Notes to the financial statements
31 December, 2019

3. Significant accounting policies (cont'd)

3.15. Provisions

Provisions are recognised when the Company has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but are disclosed when an inflow of economic benefits is probable.

4. Critical accounting estimates and judgements

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Use of available information and application of judgment are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from those estimates. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year mainly comprise of provisions, write-off of doubtful receivables, impairment of assets and non-financial assets and contingent liabilities.

The above notes are an integral part of these financial statements

SENTRADE S.A.-GREECE
Notes to the financial statements
31 December, 2019

5. Revenue from contracts with customers

	<u>2019</u>	<u>2018</u>
Revenue from electricity trading	6.364.475,86	7.875.767,40
Revenue from other trading (Capacity, NOME, Financial Products).	<u>1.822.997,82</u>	<u>804.145,77</u>
	<u>8.187.473,68</u>	<u>8.679.913,17</u>

6. Operating expenses

	<u>2019</u>	<u>2018</u>
Purchases of commodities (energy)	5.497.812,81	6.523.640,00
Salaries and employees' contributions	118.611,58	118.940,60
Purchases of Capacity, NOME, Financial Products	2.273.951,84	1.602.959,69
Third parties' remuneration	19.819,25	23.975,07
Telecommunication/postage expenses	5.898,47	4.499,63
Rents	--	36.434,22
Repairs and maintenance	1.240,70	963,78
Electricity	2.022,82	2.056,87
Taxes and dues	8.457,69	5.190,32
Travelling expenses	7.458,83	11.696,81
Subscriptions	3.390,00	3.320,00
Printing and Stationary	928,76	1.080,02
Depreciation on tangible & intangible assets	6.004,30	4.079,18
Depreciation on right-of-use assets	22.689,45	--
Sundry expenses	9.894,77	6.191,01
Audit fees	6.000,00	6.000,00
Lawyers fees	9.758,66	5.713,84
IT fees	<u>1.560,00</u>	<u>1.170,00</u>
	<u>7.995.499,93</u>	<u>8.357.911,04</u>
Allocated as follows		
Cost of sales	7.351.470,29	7.906.867,07
Distribution expenses	615.335,89	446.964,79
Administrative expenses	<u>28.693,75</u>	<u>4.079,18</u>
	<u>7.995.499,93</u>	<u>8.357.911,04</u>

The above notes are an integral part of these financial statements

SENTRADE S.A.-GREECE
Notes to the financial statements
31 December, 2019

7. Gain/ (Loss) on derivative financial instruments

7.1 (Loss) / Gain on Future & Forward Contracts	<u>2019</u>	<u>2018</u>
Profit on Future contracts of Crude oil	--	2.136,99
Profit on Future contracts of EEX	94.539,60	--
Loss on Future contracts of EEX	(267.070,80)	--
Loss on Future contracts of Carbon Emission	(254)	(1.508,000)
Profit on Future contracts of Carbon Emission	11.738,00	5.920,00
Loss on Future contracts of Brent Crude	--	(1.322,69)
Total (Loss)/ Gain on Future & Forward Contracts	<u>(161.047,20)</u>	<u>5.226,30</u>

The company participates in future and forward contracts for trading purposes. The above figures show the result of the Company's positions at the settlement date.

8. Company's Income tax expense

As per the local tax law the tax rate for the year 2019 is 24% (2018:29%).

The current income tax expense shown in the financial statements is analysed as follows:

	<u>2019</u>	<u>2018</u>
Current income tax expense	819,48	65.480,31
Deffered tax expense	--	--
Other tax expense (Business trade tax)	<u>1.000,00</u>	<u>1.000,00</u>
Total	<u>1.819,48</u>	<u>133.319,78</u>

Current income tax expense calculated as per the following:

	<u>2019</u>	<u>2018</u>
EBT (Greek GAAP)	1.992,16	321.392,33
(Less) Previous years' tax losses	<u>--</u>	<u>--</u>
Balance	<u>1.992,16</u>	<u>321.392,33</u>
 (Plus) Non-deductible expenses - Gains/ losses from valuation of derivative contracts	 1.422,13	 134.880,49
Balance	3.414,49	456.272,82
Tax Rate	<u>24%</u>	<u>29%</u>
CIT (expense)	<u>819,48</u>	<u>132.319,78</u>
Prepaid income tax payable upon statement's submission	(132.319,78)	(65.480,31)
Total (receivable) / liability 31.12	(131.500,30)	66.839,47
Plus: Prepaid income tax calculation (2019:100%-2018:100%)	<u>819,48</u>	<u>132.319,78</u>
Total	<u>(130.680,82)</u>	<u>199.159,25</u>

The above notes are an integral part of these financial statements.

SENTRADE S.A.-GREECE
Notes to the financial statements
31 December, 2019

8. Company's Income tax expense (cont'd)

In Greece taxes calculated are regarded from the tax authorities as temporary until figures are fully inspected. Consequently, the entities are subject to potential additional taxes that could be imposed after the final tax inspection (See note 27).

9. Tangible & Intangible & Assets

	<u>Property, Plant & Equipment</u>	<u>Other Intangible Assets</u>	<u>Total</u>
Cost			
At 1st January 2019	25.925,93	9.957,66	35.883,59
Additions	4.809,67	363,00	5.172,67
Written off	---	---	---
At 31st December 2019	<u>30.735,60</u>	<u>10.320,66</u>	<u>41.056,26</u>
Accumulated Depreciation			
At 1st January 2019	20.362,85	8.548,00	28.910,85
Charge for the year	5.151,94	852,36	6.004,30
At 31st December 2019	<u>25.514,79</u>	<u>9.400,36</u>	<u>34.915,15</u>
Net book value			
At 31st December 2019	<u>5.220,81</u>	<u>920,30</u>	<u>6.141,11</u>

	<u>Property, Plant & Equipment</u>	<u>Other Intangible Assets</u>	<u>Total</u>
Cost			
At 1st January 2018	21.632,54	8.061,54	29.694,08
Additions	4.293,39	1.896,12	6.189,51
Written off	---	---	---
At 31st December 2018	<u>25.925,93</u>	<u>9.957,66</u>	<u>35.883,59</u>
Accumulated Depreciation			
At 1st January 2018	16.931,17	7.900,50	24.831,67
Charge for the year	<u>3.431,68</u>	<u>647,50</u>	<u>4.079,18</u>
At 31st December 2018	<u>20.362,85</u>	<u>8.548,00</u>	<u>28.910,85</u>
Net book value			
At 31st December 2018	<u>5.563,08</u>	<u>1.409,66</u>	<u>6.972,74</u>

The above notes are an integral part of these financial statements

SENTRADE S.A.-GREECE
Notes to the financial statements
31 December, 2019

10. Right-of-Use Assets

	<u>Buildings</u>	<u>Vehicles</u>	<u>Total</u>
<i>Cost</i>			
Original Cost at 1 January, 2019	--	--	--
Adjustment for change in accounting policy (ROU assets for leases)	255.422,55	20.000,00	275.422,55
Restated Cost at 1 January, 2019	255.422,55	20.000,00	275.422,55
At 31 December 2019	255.422,55	20.000,00	275.422,55
<i>Accumulated depreciation</i>			
Original Accumulated depreciation at 1 January 2019	--	--	--
Adjustment for change in accounting policy (ROU assets for leases)	(105.906,92)	(4.000,00)	(109.906,92)
Restated Accumulated depreciation at 1 January, 2019	(105.906,92)	(4.000,00)	(109.906,92)
Charge for the year	(18.689,45)	(4.000,00)	(22.689,45)
At 31 December 2019	(124.596,37)	(8.000,00)	(132.596,37)
<i>Net book value</i>			
At 31 December 2019	130.826,18	12.000,00	142.826,18

The above notes are an integral part of these financial statements

SENTRADE S.A.-GREECE
Notes to the financial statements
31 December, 2019

11. Other non-current assets

	<u>2019</u>	<u>2018</u>
Guarantee to ADMIE	40.000,00	90.000,00
Guarantee to Hellenic Energy Exchange S.A. (Ex LAGIE)	200.000,00	200.000,00
Guarantee to DEI	505,00	505,00
Guarantee for rent	2.500,00	2.500,00
Guarantee to ESO BULGARIA	--	50.000,00
Guarantee to ESEPIE	500,00	500,00
Guarantee to SEE CAO	80.000,00	80.000,00
Guarantee to SEE TERNA	100.000,00	100.000,00
Guarantee to GME	200.000,00	30.000,00
Guarantee to OLYMPIC SERVICES-AVIS	<u>659,88</u>	<u>659,88</u>
	<u>624.164,88</u>	<u>554.164,88</u>

The above amounts, mainly, relate to collateral pledged for the participation of the entity to the various transactions of Transmission System Operators.

12. Trade and other receivables

	<u>2019</u>	<u>2018</u>
Trade debtors	170.056,79	347.591,68
Saxo Bank (Margin Account)	29.229,69	20.836,95
Banca Akros (Margin Account)	272.774,03	--
Escrow Accounts (BRP Servia)	53.000,00	--
Vat	--	57.180,76
Advances to Suppliers	318,15	654,64
Others	7.848,51	8.240,26
Company's Income tax	<u>131.500,30</u>	<u>--</u>
	<u>664.727,47</u>	<u>434.504,29</u>

The above notes are an integral part of these financial statements

SENTRADE S.A.-GREECE
Notes to the financial statements
31 December, 2019

13. Related parties receivable

(σε €)	Balance 31.12.2019	Sales 1.1.18 - 31.12.19	Balance 31.12.2018	Sales 1.1.18 - 31.12.18
Senttrade dooel, Skopje	205.729,30	248.159,42	--	568.919,26
Senttrade RS doo, Belgrade	--	163.194,10	20.209,14	20.209,14
	205.729,30	411.353,52	20.209,14	589.128,40

Intercompany transactions are in accordance with the usual practice and the adopted invoicing policy.

Receivables are not secured and are settled usually with the defined credit period.

There was no need to provide for doubtful receivables from related parties.

14. Derivative Financial instruments Receivable

	31.12.2019	31.12.2018
Valuation of Commodity Swap Contract (derivative)	54.812,16	--
	54.812,16	--

On 30 December, 2019 Sentrade S.A. (Party A) and another Company (Party B) established a partnership relating to a specific Commodity Swap Contract on Energy. The contract is effective from 01 January, 2020 until 01 January 2021.

The above amount euro 54.812,16 represents the gain from valuation of that product as at 31/12/2019. As at 31/12/2018 there were no positions open for valuation.

15. Deferred expenses & Accrued income

Deferred expenses of an amount Euro 18.408,62 (2018: 22.302, 91) relate to i) euro 17.000,40 (2018: 20.482,32) PTRs capacity of 2020 and ii) euro 1.408,22 (2018: 1.820,59) various deferred expenses.

Accrued income of an amount euro 406.897,65 (2018: 108.293,73) relate to i) euro 119.526,28 (2018: 108.187,55) energy sales and euro 287.371,37 (2018: 106,18) capacity resale realised during 2019 and invoiced during 2020.

The above notes are an integral part of these financial statements

SENTRADE S.A.-GREECE
Notes to the financial statements
31 December, 2019

16. Cash and cash equivalents

	<u>2019</u>	<u>2018</u>
Cash in hand	74.110,24	74.261,94
Cash at banks	<u>1.184.874,08</u>	<u>1.104.866,73</u>
	<u>1.258.984,32</u>	<u>1.179.128,67</u>

17. Share capital and Reserves

Share Capital: The authorized, issued and paid share capital is as follows:

	<u>2019</u>	<u>2018</u>
Authorised share capital		
(100.000 shares of Euros 10 each)	<u>1.000.000,00</u>	<u>1.000.000,00</u>

Statutory Reserve: According to the Greek Company Law, companies are obliged to withhold 5% of their net annual post-tax profits to form statutory reserve until the balance of such statutory reserve is equal to or reaches at least 1/3 of the Share Capital. This reserve is not available for distribution but can be used to offset losses. At the end of the year, the company withhold euro 8,63 (2018: 9.403,63) from the post-tax profits to form a statutory reserve. As of 31.12.2019 the balance of the statutory reserve is euro 23.892,37 (2018: 23.883,74).

Reserve from derivatives gains/ (losses): The amount of euro 54.812,16 represents the gain of the valuation of a Commodity Swap Contract at the end of the year (See note 14).

18. Lease liabilities

The Company has leases for its office premises and a car. With the exception of short-term leases and leases of low value underlying assets, each lease is reflected on the statement of financial position as a right-to-use asset and a lease liability. The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognised on the statement of financial position:

Right-of-Use Asset	No of right- of use assets leased	Remaining Term
Office building	103.91 m ²	7 years
Car	-	3 years

The above notes are an integral part of these financial statements

SENTRADE S.A.-GREECE
Notes to the financial statements
31 December, 2019

18. Lease liabilities (cont'd)

The statement of profit or loss shows the following amounts relating to leases:

	<u>2019</u>
Depreciation charge on right-of-use assets	22.689,45
Interest expense	14.830,11

The total cash outflow for leases:

	<u>2019</u>
Gross lease liabilities – minimum lease payments:	
No later than one year	34.441,09
Later than one year but no later than five years	131.042,18
Later than five years	62.160,00
	<hr/>
Future finance charges on leases	(53.491,25)
	<hr/>
	174.152,02

The present value of lease liabilities

Classified as:

Non-current	152.991,60
Current	21.160,42
	<hr/>
	174.152,02

The above notes are an integral part of these financial statements

SENTRADE S.A.-GREECE
Notes to the financial statements
31 December, 2019

19. Intra -group loan

On 1st March, 2016 the Company entered into an intra-group loan agreement with the Parent and Sole Shareholder (Sentrade Holding S.A.) for the total amount of euros 300.000.

On 5th April, 2018 Sentrade S.A. and Sentrade Holding S.A. signed an amendment agreement to the original intra-group loan agreement dated from 1st March, 2016, extending the maturity period of the loan of 300.000 and granting a new amount of euro 300.000. The new amount of euro 300.000 was drawdown in one advance on 23rd April, 2018 and the maturity date of the total facility of euros 600.000 was on 31 December, 2019.

On 14th August, 2019 Sentrade S.A. and Sentrade Holding S.A. signed a second amendment agreement to the original intra-group loan agreement dated from 1st March, 2016, extending the maturity period of the loan of 600.000 and granting a new amount of euro 300.000. The new amount of euro 300.000 was drawdown in one advance on 20rd August, 2019.

Interest, as per the initial agreement, will continue to accrue on the outstanding facility at an annual rate of 0,5% applied on the outstanding facility at the end of the year.

20. Trade and other payables

	<u>2019</u>	<u>2018</u>
Trade creditors	207.943,57	105.411,41
	<u>207.943,57</u>	<u>105.411,41</u>

21. Related parties payables

<i>(in €)</i>	<u>Balance 31.12.2019</u>	<u>Purchases 1.1.18 - 31.12.19</u>	<u>Balance 31.12.2018</u>	<u>Purchases 1.1.18 - 31.12.18</u>
Sentrade Holding SA	900.000,00	3.563,02	600.000,00	2.539,73
Sentrade dooel, Skopje	207.721,92	483.548,82	--	601.034,57
Sentrade RS doo, Belgrade	--	42.393,66	--	--
Protomastoras Construction SA	--	30.000,00	--	30.000,00
	<u>1.107.721,92</u>	<u>559.505,50</u>	<u>600.000,00</u>	<u>633.574,30</u>

Transactions with related companies are in accordance with the current practice and pricing policy of the company.

The existing liabilities are not secured and they are settled according to the company's credit policy.

The above notes are an integral part of these financial statements.

SENTRADE S.A.-GREECE
Notes to the financial statements
31 December, 2019

22. Other Short term liabilities

Other short term liabilities amounting to euro 250.000 represent a guarantee received from one of the Company's clients, in order to establish a partnership related to transactions performed by Sentrade SA on behalf of its client. According to the contract, that amount will be refunded within the next fiscal year.

23. Current tax liabilities

	<u>2019</u>	<u>2018</u>
Tax on staff salaries	1.844,76	1.673,56
Income Tax payable	---	66.839,47
Vat	<u>4.928,26</u>	<u>---</u>
	<u>6.773,02</u>	<u>68.513,03</u>

24. Accruals

Accruals of an amount euro 128.915,12 (2018: 68.175,37) relate to i) euro 123.308,55 (2018: 39.112,83) purchases of energy power, ii) euro 2.043,55 (2018: 26.047,24) purchases of PTRs Capacity, iii) euro 3.563,02 (2018: 2.539,27) loan interest and iv) euro Nil (2018: 475,57) various expenses.

25. Withholdings

	<u>2019</u>	<u>2018</u>
Social Security funds	<u>5.852,36</u>	<u>5.801,87</u>
	<u>5.852,36</u>	<u>5.801,87</u>

The above notes are an integral part of these financial statements

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26. Financial risk management

General

The board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board has established a finance controller which is responsible for developing and monitoring the Company's risk management strategy and policies. The controller reports regularly to the board of directors on its activities.

The Company's financial instruments consist mainly of deposits with banks, accounts receivable and payable, and derivatives.

Derivative instruments mainly are used by the Company for trading purposes. Such instruments used by the Company are: a) future contracts on Crude oil, Heating oil Natural gas, Gasoline and Carbon and b) forward contracts on energy.

26.1. Capital risk management

The board's policy is to maintain and develop a strong a flexible capital base in order to maintain investor and creditor confidence. This is seen as important for the sustenance of future developments in the business and the maintenance of flexibility of capital management strategies.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or realise assets in order to reduce debt.

26.2. Market price risk

The Company is exposed to commodity price risk in respect of electricity power imported. The value of electric power imported is material to the affairs of the Company. There is no reliable mechanism for establishing a relationship between the value of electricity power imported the market value of electricity power from time to time.

The above notes are an integral part of these financial statements

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26. Financial risk management (cont'd)

26.3. Credit risk management

Potential material areas of credit risk consist of trade accounts receivable. Trade accounts receivable consist mainly of specific customer with good reputation in markets. The company monitors the financial position of their customers on an ongoing basis. Where considered appropriate, use alternatives procedures in order to safeguard its interests. The granting of credit is controlled by application and account limits. An allowance is made if it is necessary for specific bad debts and at the reporting date management did not consider there to be any material credit risk exposure that was not adequately covered.

Furthermore it is Company's policy to deposit short term cash investments with major institutions.

26.4. Foreign currency risk management

The Company does not undertake any transactions denominated in foreign currencies. Hence, the Company does not exposure to exchange rate fluctuations arise.

26.5. Liquidity risk management

The Company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate cash facilities are maintained .Furthermore the company has not made any significant guarantees to third parties which are uncovered by cash.

The following are the undiscounted contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreement.

	<u>Up to one year</u>	<u>Two to five years</u>	<u>More than five years</u>	<u>Total</u>
<u>31.12.2019</u>				
Intra-group loans	900.000,00	--	--	900.000,00
Trade,other and Related party liabilities	828.366,41	95.893,19	57.098,41	981.358,01
TOTALS	1.728.366,41	95.893,19	57.098,41	1.881.358,01
<u>31.12.2018</u>				
Intra-group loans	600.000,00	--	--	600.000,00
Trade,other and Related party liabilities	247.901,68	--	--	247.901,68
TOTALS	847.901,68	--	--	847.901,68

26.6. Interest rate risk management

The Company is not exposed to interest rate risk as it borrows funds to fixed interest rates.

The above notes are an integral part of these financial statements

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26. Financial risk management (cont'd)

26.7 Fair value estimation

The carrying amounts reflected in the statement of financial position for cash and cash equivalents, trade and other receivables, other current assets and current liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

All assets and liabilities measured at fair value, are classified within the fair value hierarchy as follows:

- (a) Level 1 – prices quoted (unadjusted) in active markets for identical assets or liabilities.
- (b) Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- (c) Level 3 – Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

27. Reconciliation of liabilities from financing activities

	<u>31/12/2018</u>	<u>Cash flows</u>	<u>31/12/2019</u>
Intra-group Short-term loans	600.000,00	300.000,00	900.000,00
Lease liabilities (ST,LT)	--	(34.441,09)	(34.441,09)
Total liabilities from financing activities	--	265.558,91	865.558,91

28. Capital Commitments and contingent liabilities

There were no capital commitments as at 31 December, 2019.

According to relevant tax provisions: a) par. 1, article 84 of L.2238/1994 (unaudited income tax cases), b) par. 1, article 57 of L. 2859/2000 (unaudited VAT cases) and c) par. 5, article 9 of L. 2523/1997 (imposition of fines in regards to income tax cases), the right of the tax authorities to impose tax for accounting period up to 2013 has been expired on 31/12/2019, subject to special or extraordinary provisions or clauses, which might provide for an extended limitation period.

The books and accounting records of the Company have not been examined by the tax authorities since 2014 and thereafter. Therefore, until the books and accounting records are examined by the tax authorities, the Company's ultimate tax liability cannot be ascertained with accuracy and actual tax audit results could differ from any provision made. The Company estimates that any charges will not have a material effect on the financial statements.

The above notes are an integral part of these financial statements

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29. Events after the end of the reporting period

During 2020 the outbreak and spread of coronavirus, classified by World Health Authority as global pandemic, and the various control measures taken have disrupted many businesses globally. The management estimates that in the short term the COVID outbreak effects in the Company's business will be minor, however there will be market volatility through greater price fluctuations that may restrict Company's transactions.

30. Approval of financial statements

These financial statements were authorized for issue by the Board of Directors on 26 May, 2020.

The above notes are an integral part of these financial statements