

**ANNUAL FINANCIAL REPORT**

FOR THE

FISCAL YEAR FROM 1 JANUARY UNTIL DECEMBER 31 2020

(PURSUANT TO ARTICLE 4, LAW 3556/2007)

INVESTMENT TRUST

Hellenic Capital Market Commission Authorisation No.: 5/192/6.6.2000 General  
Electronic Commercial Registry No. 003882701000 Seat: 7 Taki Kavalieratou St.,  
Kifissia, GR-14564, Tel. 210 62 89 100 Fax: 210 62 34 242

“Blank page”

## **CONTENTS**

STATEMENTS BY MEMBERS OF THE BOARD OF DIRECTORS.....	5
ANNUAL MANAGEMENT REPORT OF THE COMPANY'S BoD.....	7
AUDITOR'S REPORT.....	32
ANNUAL FINANCIAL STATEMENTS.....	39
INFORMATION REQUIRED PURSUANT TO ARTICLE 10 OF LAW 3401/2005 .....	88
WEBSITE ON WHICH THE ANNUAL FINANCIAL REPORT AND OTHER INFORMATION REQUIRED ARE POSTED .....	91

“Blank page”

## STATEMENTS BY MEMBERS OF THE BOARD OF DIRECTORS

*(in accordance with Article 4, paragraph 2 of Law 3556/2007)*

We, the members of the Board of Directors of ALPHA TRUST ANDROMEDA PORTFOLIO INVESTMENT CO. S.A.:

1. Phaedon - Theodoros Tamvakakis, son of Dimitrios, Vice Chairman
2. Konstantinos Tzinieris, son of Nikolaos, Managing Director
3. Nikolaos Kyriazis, son of Konstantinos, Member

In our capacity as specially appointed members of the Board of Directors of the company with the corporate name ALPHA TRUST ANDROMEDA PORTFOLIO INVESTMENT CO. S.A. (hereinafter referred to as the Company for the sake of brevity or ALPHA TRUST ANDROMEDA S.A.) we hereby declare and confirm that to the best of our knowledge:

- a. The annual financial statements of ALPHA TRUST ANDROMEDA Portfolio Investment Co. S.A. for the period 1/1/2020 to 31/12/2020 which were prepared in accordance with the International Financial Reporting Standards (IFRS) accurately reflect the information in the statement of financial position, statement of income and other comprehensive income and statement of changes in equity.
- b. The annual report of the Company's Board of Directors fairly presents the development, performance and position of the Company including a statement of the main risks and uncertainties it faces.

Kifissia, 18 March 2021

Confirmed - Declared by

Phaedon-Theodoros Tamvakakis

Konstantinos Tzinieris

Nikolaos Kyriazis

Vice-Chairman of the Board of Directors

The Managing Director

Board Member

“Blank page”

## **ANNUAL MANAGEMENT REPORT OF THE COMPANY'S BoD**

**“ALPHA TRUST – ANDROMEDA INVESTMENT TRUST S.A.”  
FOR THE PERIOD THAT ENDED ON DECEMBER 31<sup>st</sup> 2020**

## ANNUAL REPORT OF THE BOARD OF DIRECTORS

### 1.1 The company

The Company's scope, as laid down in article 3 of its Articles of Association and following the decision of the First Repeat Ordinary General Meeting dated 20.4.2015, is the exclusive management of transferable securities portfolios pursuant to law 3371/2005 and 4209/2013 and complementarily of law 2190/20, as in force each time. In particular, the Company establishes an Alternative Investment Fund (AIF) in the sense of law 4209/2013 and assigns the entirety of its management, pursuant to article 6 par. 2b of law 4209/2013 exclusively to an external Alternative Investment Fund Manager, which complies with all conditions set forth by law 4209/2013.

The Company may cooperate with companies pursuing similar objectives or operating generally in the field of capital markets, and to participate in these, complying with the provisions of the legislation on portfolio investment companies and Alternative Investment Funds.

### 1.2 Development, performance and company position

2020 was a milestone year, as humanity faced a global pandemic that changed our everyday habits and life in general.

The unprecedented health crisis led to a crash in economic activity both globally and in Greece. In the first quarter of the year, the increased uncertainty caused intense turmoil in Stock Exchanges throughout the world. Greece suffered one of the heaviest blows, marking record losses of 39%.

The Government acted directly through measures to support the economy, businesses and workers' incomes. The fiscal measures taken slowed the recession. At the same time, the European Central Bank, with its expansionary monetary policy and the lifting of restrictions, proceeded to the purchase of Greek bonds. This reduced the 10-year bond yield to close to 0.6%.

During the second quarter of 2020, the stock market recovered with profits of 14.4%, closing at 638.9 points, as economic activity gradually reopened, albeit with several uncertainties. In addition, the restructuring of the MSCI Emerging Markets Index contributed to an increase in volatility and transactions.

During the third quarter, the Greek Stock Exchange recorded losses of -2.21%, underperforming compared



to most European stock exchanges, recording a total loss of -31.85% from the beginning of the year. Geopolitical developments in the Eastern Mediterranean and uncertainty about the rate of economic recovery and the course of tourism contributed to low investment interest. The Greek-Turkish agreement to restart talks, as well as the new mitigating measures, including tax cuts announced by the prime minister, did not suffice to improve the investment climate.

In the fourth quarter of the difficult and unpredictable 2020, the Athens Stock Exchange closed with significant profits of 29.49%, at 808.99 units. Despite the fact that in October investment interest was limited and the General Index continued to significantly underperform compared to other stock markets, in the last two months of the year and despite the second lockdown, it sky-rocketed, supported by a strong banking sector. The Stock Exchange began to anticipate a return to normality. A series of positive news stories -such as announcements by various pharmaceutical companies about the manufacture and distribution of effective vaccines for COVID-19, the election of a new President in the United States, and the upgrading of Greece's credit rating by Moody's- contributed to this.

2020 ended with losses of -11.75% for the Athens Stock Exchange General Index and -9.03% for the Total Return Index.

According to Hellenic Statistical Authority data on the course of the economy, this shrank by -11.7% in the third quarter of 2020 on an annual basis (seasonally adjusted data) due to both the decline in economic activity and the significant decrease in tourism revenues during the summer.

On a microeconomic level and based on the published data for the third quarter of 2020, the companies the Andromeda portfolio has invested in have demonstrated excellent economic performance, as most have achieved an increase in their financial aggregates, as reflected in the course of their shares.

In the difficult year of 2020, ALPHA TRUST ANDROMEDA once again topped the list, as its NAV outperformed all other equity funds and other collective investment undertakings investing in the Greek stock exchange. Net asset value per share in 2020 stood at +7.88%, significantly outperforming its benchmark index.

# alphatrust andromeda

Main indicators	% Change 2020
Athex Composite Share Price index	-11,75%
FTSE/Athex Large Cap	-15,81%
ATHEX Alternative Market Price Index	47,06%
FTSE/ATHEX High Dividend Yield Index	43,89%
ATHEX Select Index Plus	66,82%
ATHEX Select Index	60,00%
FTSE/ATHEX-CSE Banking Index	-41,37%
FTSE/Athex Mid Cap Index	-7,35%
FTSE/ATHEX Global Traders Index Plus	-9,37%
FTSE/ATHEX All Share Index	-16,74%
Athex Composite Index Total Return Index	-9,03%

Sector indicators	% Change 2020
FTSE/Athex Banks	-41,37%
FTSE/ATHEX Real Estate	-11,71%
FTSE/Athex Financial Services	-23,37%
FTSE/Athex Industrial Goods & Services	14,50%
FTSE/Athex Retail	-28,82%
FTSE/Athex Personal Products	-20,67%
FTSE/Athex Food & Beverage	-12,24%
FTSE/Athex Basic Resources	-4,71%
FTSE/Athex Construction & Materials	-10,45%
FTSE/Athex Energy	-41,28%
FTSE/X.A. Ταξίδια & Αναψυχή	-10,68%
FTSE/Athex Technology	21,31%
FTSE/Athex Telecommunications	-7,15%
FTSE/Athex Health Care	-12,21%
FTSE/Athex Utilities	44,49%

The assets of all Portfolio Management Companies in the industry as of 31/12/2020 stood at 12,69 mil euro, compared to 12.42 mil. Euro at the end of 2019, while on 31/12/2018 it stood at 10.66 mil. Euro.

The General Index of ATHEX has marked a decline by -11,75%, the Total Return Index of the Athex declined by -9,03% while the FTSE/X.A. Large Cap has marked a decline of -15,81% in the same period.

As regards the company's investment management, it should be noted that the Company aims at achieving satisfactory returns for its shareholders, through capital gains and portfolio revenues, investing in stocks and other transferable securities of mainly Greek issuers. The investment policy is implemented by the Managing Company (Alpha Trust Mutual Fund And

Alternative Investment Fund Management S.A.), with the participation and use of skills of all members of the ALPHA TRUST investment team, aiming at the best selections, and combining capital distribution, selection of securities, portfolio composition and risk management.

The Company's top five equity holdings at the end of the fiscal year consist of QUEST HOLDINGS, THRACE PLASTICS, TITAN SA, ELVE SA and ENTERSOFT SA. Finally please note that the Company was present

or by represented and exercised its voting rights as shareholder in most of the General Meetings of the companies in which it participates.

Gross income for the year stood at approximately 1,733 mil. euro. Such income occurred mainly from gains from the valuation of securities at fair values based on IFRS and gains from the purchase and sale of securities, amounting to 1,425 mil. euro and gains from portfolio revenues amounting to approximately 0,308 mil. euro. The above portfolio revenues consist of bond and deposit interest of 0,025 mil euro and share dividends of 0,283 mil. euro.

The expenses for the year stood at 0,845 mil. euro approximately, compared to 1.567 mil. euro in 2019 and are analyzed as follows: Administrative expenses of 0,291 mil. euro, which include third party fees and other operating expenses. Portfolio management expenses of 0,554 mil. euro, including management fees, the custodian fees, overperformance fee, the custodian fees, the expenses for the purchase and sale of securities, a part of the taxes and other relevant expenses.

The Company's results before tax amounted to profit of 0,889 mil. euro and net of the tax 0,878 mil. euro, compared to profit of 2,431 mil. euro in 2019. Cash in hand and cash equivalents of the Company on December 31, 2020 stood at €0,684 mil. euro compared to €1.556 mil. euro on December 31st 2019.

It is noteworthy that in accordance with the International Financial Reporting Standards, the portfolio's gains as at 31/12/2020, which amounted to 2,303 mil. euro, compared to gains of 2.392 mil. euro in 2019, was accounted for in the operating result.

On December 31, 2020 the company's investment portfolio amounted at €12,69 mil. Euro

### ***1.3 Management principles and internal management systems***

#### ***1.3.1 Corporate Governance Statement for the fiscal year 1/1-31/12/2020***

## **1. Statement of compliance with the Corporate Governance Code**

The Company applies the principles of corporate governance, as these are provided for under Greece's current legislation.

The Code of Corporate Governance of ALPHA TRUST- ANDROMEDA S.A., (hereinafter referred to as the "Code"), was drafted according to the provisions in force, and its main targets include greater transparency, the establishment of best governing practices in the Company's operation and finally the improvement of the information provided to private and institutional investors and their reinforced participation in the company affairs.

The Company does not implement any additional corporate governance practices beyond those that the law assigns and for the fiscal year 1.1.2020-31.12.2020 it applied the provisions of the Code of Corporate Governance it has adopted at its own initiative.

The integral text of the Code is available to the public at the Company's website <http://www.andromeda.eu>. The Company is already in the process of amending its Corporate Governance Code in order to fully align it with the provisions of the new corporate governance Law 4706/2020. The Company will inform investors of

the resulting changes via announcements posted on its website..

## **2. Description of the main characteristics of the systems of internal audit and risk management of the Company in relation to the financial statements preparation process.**

The Company's Internal Audit System consists of all the policies, procedures, tasks, behaviors and other elements characterizing the Company, which are applied by the BoD and all those associated in its operation. The Internal Audit System consists of audit and control mechanisms aiming at the proper operation of the Company.

In the framework of the effective operation of the Internal Audit System:

a. The Company has adopted systems and procedures for auditing and managing risks regarding the proper preparatio of the financial statements and the proper presentation of its financial volumes. These include:

- Implementation of unified accounting applications and procedures and their constant upgrading.
- Procedures safeguarding the proper and complete recognition of the Company's transactions, in accordance with the International Financial Reporting Standards.
- Constant training and development of personnel and external associates.
- Realization of deletions and creation of reserves / provisions, in a timely and coherent manner.
- Procedure for limiting the possibility to access and revise the accounting plan used, so as to guarantee its integrity.
- The preparation and provision to the Management on a monthly basis of detailed information on the results.

In addition, regarding the procedure for the preparation of the financial statements, it is noted that the Internal Audit that is conducted systematically during the whole fiscal year, under the supervision and surveillance of the Audit Committee, guarantees the presentation of the true financial situation of the Company in the financial statements.

All financial statements are approved by the BoD before being published.

b. With the intent of limiting risks in relation to the use of financial instruments, the Company's Board of Directors, according to the decisions of the Board of Directors of the Capital Market Commission, specified the procedures and assigned portfolio risk management services via a Contract dated 22/02/2018 to the managing company ALPHA TRUST, which uses portfolio risk management systems that correspond to the Company's portfolio risk profile, so as to ensure that all the basic risks such as market risk, credit risk, liquidity risk and counterparty risk are measured correctly.

The Internal Audit Service plays an important role in the monitoring of the implementation of the Internal Audit System and constitutes a unit which is independent from the other service units of the Company, being administratively subjected and referring directly to the Managing Director. It is placed under and controlled by the Audit Committee.

The duties of the Service are defined in the Company's Internal Rules. The total of the auditing mechanisms and procedures recorded cover all the spectrum of the daily operations of the Company and are implemented in accordance to the laws and decisions of the Hellenic Capital Market Commission, as in force each time.

The Company is already in the process of amending its Operating Regulation of Internal Audit in order to fully align it with the provisions of the new corporate governance Law 4706/2020. The Company will inform investors of the resulting changes via announcements posted on its website.

### **3. Composition and manner of operation of the Board of Directors and of any other administrative, managing or supervisory bodies or committees of the Company.**

The Board of Directors of ALPHA TRUST-ANDROMEDA S.A., is obliged to follow all corporate governance principles. Today the BoD consists of one (1) executive member, that can be employed by the Company or provide its services to it and six (6) non-executive members that exclusively execute the task assigned to the members of the Board of Directors. Three out of four non-executive members fulfill the conditions set out under article 44, L. 4449/2017 and have been appointed as members of the Audit Committee.

The executive member of the Board of Directors is qualified and assigned with the responsibility to carry out the decisions of the BoD decisions along with the continuous observation of the Company's operations. The non-executive members of the BoD are assigned with the duty of promoting the full spectrum of the Company's operations. During the fiscal year of 2020 the BoD held 15 meetings and the main issues of those meetings were the course of business of the Company, the approval of financial statements, the convening of the Annual Ordinary General Meeting, the work of committees and internal audit, the new law on corporate governance in Greece L. 4706/2020 and other issues related to the activities of the Company. The Company's Board of Directors on 31.12.2020 is composed as follows:

<b>CHAIRMAN:</b>	Alexander Zagoreos, independent non-executive member
<b>VICE-CHAIRMAN:</b>	Faidon-Theodoros Tamvakakis, non-executive member
<b>MANAGING DIRECTOR:</b>	Konstantinos Tzinieris, executive member
<b>MEMBERS:</b>	Alexios Soutogiannis, independent non-executive member
	Anastasios Adam, independent non-executive member
	James Edward Jordan, independent non-executive member
	Nikolaos Kiriazis, independent non-executive member

A brief CV of the members of the Board of Directors follows:

#### **Zagoreos Alexander – Chairman, independent non-executive member**

Born in 1937 in N. York. He has received an MBA and a Masters of International Affairs from Columbia University. He is a retired senior advisor to Lazard Asset Management, where until 2006 he has been a Partner and Managing Director.

He joined Lazard Freres and Co in 1977 and during his career he has been responsible for the setting up and management of some global and emerging market funds. Before joining Lazard he had been Vice-

chairman of Reynolds and Co and Model, Ronald & Co., and financial analyst at Esso International.

He participates in the BoDs of the following Funds: The World Trust Fund, Aberdeen Emerging Smaller Companies Opportunities Fund, Alpha Trust Andromeda Fund.

Mr Zagoreos also participates in the BoDs of non-profit institutions.

## **Faidon Tamvakakis – Vice chairman, non-executive member**

Born in 1960 in Alexandria, Egypt. Co-founder of Alpha Trust Investment Services S.A. (1987). Chairman of the BoD of ALPHA TRUST Mutual Fund and Alternative Investment Fund Management S.A. Co-founder of Alpha Trust Andromeda (2000) and Vice chairman of the BoD, Chairman and Managing Director of Plant and Growth S.A, Member of the Investment Committee of the Cross-Guarantee Fund for the Security of Investment Services, Member of the BoD of Quest Holdings S.A, Vice-Chairman of the BoD of BRIQ PROPERTIES S.A. Investments in Immovable Property, BoD member of the Writers' Association. BA in Economics and English Literature ( ACG ) and M.A in Investment & Finance (University of Exeter) .

## **Tzinieris Konstantinos – Managing Director, executive member**

He was born in 1944 in Lagadia, Arkadia. He graduated from the School of Higher Industrial Studies of Piraeus, Faculty of Business Administration. He is retired. He has worked on the organization and the administration of enterprises and has been, inter alia, a Secretary-General of the Ministry of Commerce, a Chairman of the Fertilizers Industry A.E.B.A.A., Managing Director of the Duty Free Shops S.A., Managing Director of ALPHA TRUST Orion Closed End fund and Chairman of ALPHA TRUST- ANDROMEDA S.A. Chairman of the Occupational Insurance Fund of Economists.

## **Alexios Soultogiannis, independent non-executive member**

Born in 1964 in Thessaloniki. Graduated from the faculty of Mechanical Engineers, Aristoteleio University of Thessaloniki, Master's in Engineering, Carleton Institute, Canada and MBA on Finance, University of Massachusetts, USA. He has an experience of over 20 years in the financial area, having served as General Director in Metlife Alico Mutual Fund Management SA, CIO of AMUNDI HELLAS Mutual Fund Management SA, CIO of Private Banking Division of Peiraios Bank, as well as Deputy CRO, Management Consultant in the General Directorate of Risk Management of the National Bank of Greece Group. From 1993 to 2000 he has worked in London in investment banks such as J.P. Morgan, UBS, ABN - Amro NV occupying high managerial posts. In the past he has been an executive director of the BoD of Alpha Trust Mutual Fund Management SA.

## **Anastasios (Stacy) Adam, independent non-executive member**

He was born in 1964 in La Ceiba, Honduras. Mr. Adam has been the Managing Director of Papamarkou Wellner Asset Management, Inc. since December 2020. Prior to Papamarkou Wellner Asset Management, Inc., Mr. Adam was part of Optima Fund Management since 2003 with a total of 30 years of experience in the financial sector. After joining Optima he established the fund Optima Emerging Markets. Before Optima, Mr. Adam had established an advisory firm for hedge funds focusing on emerging markets' assets. His

investment and banking experience ranges from stock analysis (ranked best analyst in Baring Securities), to sales and negotiation, (responsible of Salomon Brothers' office of European emerging markets – now part of Citigroup in New York, established the Company's emerging markets office in London), also including corporate finance (responsible for Greece and the Balkans for Merrill Lynch in London). Mr. Adam has also been a member of the Investment Committee of Proodos Greek Investments S.A., one of the leading Greek Investment Trust Companies.

## **James Edward Jordan – independent non-executive member**

He was born in 1944 in Florida, USA. James E. Jordan has been an executive and an active manager in a multitude of public companies, venture capitals and non-profit organizations. Mr. Jordan retired in 2006 under his capacity of Managing Director of Arnhold and S. Bleichroeder Advisers, Inc., ("ASB"), a private capital management firm established 20 years ago, with capital under management amounting to approximately \$ 50 billion in the form of mutual funds, fund of funds and hedge funds. ASB is particularly known as the manager of the First Eagle funds, and he continues to be a manager of these funds. Before joining ABS he has been an advisor in The Jordan Company ("TJC"), a private investment banking firm. During these years, he has been a Chairman and Head of Investments of the William Penn capital, a mutual fund firm from Reading, Pennsylvania, of which he was a co-founder together with his partners from The Jordan Company. The firm William Penn was sold with great success in 1997 to Federated Funds. On behalf of TJC, in 1984 Mr. Jordan helped in the establishment of JZ Capital Partners, Inc., an investment firm in the form of a trust and a capital of \$ 500 millions that is currently headquartered in Guernsey and traded in the London Stock Exchange, while he continues to be a manager of JZ Capital. Mr. Jordan has been an executive of Leucadia National Corporation ("LUK" in the New York Stock Exchange), from 1978. He has also been a manager of Florida East Coast Industries, Inc, a company of railway and land management until its sale in 2007, and a manager of Consolidated - Tomoka Land Company, a land development firm headquartered in Daytona Beach, Florida. Mr. Jordan is an active member of environmental organisations and he is the Chairman of the Conservation International, and a member of the BoD of Pro Natura de Yucatan.

He is also keen in the conservation of spaces of historic interest, occupying the post of Vice chairman of the World Monuments Fund. He possesses a BA from South Florida University, and an MA, MIA, and MBA from Columbia University, where he has served for many years as a member of the Advisory Committee of the Rector of the School of International and Public Affairs.

## **Kiriazis Nikolaos – independent non-executive member**

Born in Athens in 1952, he is an economist who graduated and got his PhD from the School of Economic, Legal and Political Sciences of the University of Bonn. He is a professor in the University of Thessaly and has a rich work as an author. He is Vice-Chairman of the BoD of ERGOMAN A.E. he has served as Chairman of ALPHA TRUST Orion Close end fund, Vice-chairman of ALPHA TRUST-ANDROMEDA S.A. and visiting professor of the Harvard and Trier University.



The Ordinary General Shareholders Meeting dated 2/4/2018 has elected its members and the BoD was constituted at the same date. Then, the Ordinary General Shareholders Meeting dated 10/9/2018 has partially amended the decision of the Ordinary General Shareholders Meeting dated 2/4/2018, on the election of the BoD, only regarding the independent members and the BoD was reconstituted on the same day.

The BoD's term of office is three years and shall expire at the Ordinary General Shareholders Meeting of 2021.

The BoD's composition is characterized by a variety of skills, points of view, abilities, knowledge, qualifications and experience, as shown by the scientific background, the professional occupation and the experience of the BoD's members, aiming at serving the Company's goals in the best possible manner.

## ***Audit Committee***

The Audit Committee consists of three independent non executive members and its mission is a) monitor the financial reporting process, b) monitor the efficient operation of the internal audit system, the risk management system as well as to monitor the proper functioning of the Internal Audit department, c) to monitor the process of the statutory audit of the company's parent and consolidated financial statements and d) to supervise and monitor issues regarding the existence and upholding of the objectivity and independence of the statutory accountant-auditor or the audit firm, especially as regards the provision of other services to the Company by the statutory auditor or the audit firm.

The Company in its Extraordinary General Meeting dated 18.11.2019 has elected an Audit Committee consisting of the following BoD's members:

- Nikolaos Kyriazis
- Anastasios Adam

And an independent member, a retired former chartered accountant, Mr.

- Theodoros Papailiou

The Audit Committee held 10 meetings during the fiscal year 2020.

The Audit Committee is already in the process of amending its Operating Regulation in order to fully align it with the provisions of the new corporate governance Law 4706/2020.

## ***Investment Committee***

The Board of Directors appoints an «Investment Committee», comprised by three independent non-executive members. The Investment Committee appoints one of its members as chairman.

The Investment Committee, in accordance with the decision of the Board of Directors, has an exclusively



advisory nature; it investigates and monitors the general investment policy, it discusses issues regarding the conditions prevailing in the wider investing environment and assesses its future course in the short and long-term.

The Investment Committee is informed via a relative report on the risk exposure of the Company's portfolio and on the correlation between return and risk. The Board of Directors is informed on these issues during its ordinary meetings.

The Investment Committee also plays a role in the monitoring and assessment of the Management, at least once per semester, by submitting a report to the BoD.

The Company's Internal Rules comprise also the Investment Committees' Rules of Operation, which holds at least one meeting per month and is comprised of the following:

- Alexios Soultogiannis
- Anastasios Adam
- James Edward Jordan

Ms Panagiota Zagari is also present at the meetings of the Committee, having been appointed as portfolio manager by the managing company ALPHA TRUST Mutual Fund and Alternative Investment Fund Management S.A.

The Investment Committee held twelve (12) meetings during the fiscal year 2020.

## 1.4 Main risks and uncertainties

### **1.4.1. Financial Instruments' Risk Management**

The Company's investment portfolio includes financial products according to the investment strategy it has developed and the limitations imposed by Law 3371/2005 that defines the investment limits and the nature of investments of portfolio investment companies.

The investment portfolio includes listed domestic stocks, bonds of the Greek state, corporate bonds and derivatives.

The Company's portfolio management as well as risk management (Investment Management), according to decision of its Board of Directors dated 22/02/2018 has been assigned under a "Management Agreement of an Alternative Investment Fund", to ALPHA TRUST MUTUAL FUND AND ALTERNATIVE INVESTMENT FUND MANAGEMENT S.A. that exercises the investment policy determined. The Board of Directors has also designated an Investment Committee, which has an exclusively advisory nature as regards investment issues of the Company.

The Company's Board of Directors, aiming at limiting and controlling the risks of the investment portfolio, has determined the necessary procedures and assigned risk management via a Contract to the Manager, which uses portfolio risk monitoring systems that correspond to the Company's risk profile, so as to ensure that all

the basic risks are measured accurately

## 1. **Credit risk**

Credit risk pertains to cases of counterparty default. This category includes mainly government and corporate bonds, bonds repurchase agreements (repos), receivables from brokers and cash in banks. To evaluate the credit risk, portfolio allocation by credit rating is used.

To evaluate the credit risk, portfolio allocation is used by credit rating obtained through Bloomberg, which arises from the composition of credit ratings, as these are provided by the four major credit rating firms (S&P, Moody's, Fitch and DBRS). In case the result is between two credit ratings, the lower one is used.

### **Receivables from brokers**

Receivables from brokers concern mainly sales of securities of the last two days, margin accounts and guarantees.

The credit risk of these receivables is considered small due to the limited deadline for settlement and to the utilization of counterparties.

### **Cash**

The company has deposits with banks the credit rating of which is being monitored.

### **Derivatives**

During the financial year the Company has not used any derivative financial instruments.

## 2. **Liquidity risk**

Liquidity risk is the risk of failing to meet financial obligations when due, as a result of lack of the necessary liquidity. Liquidity risk pertains to the extent at which an investment position or part of the portfolio can be liquidated (as a percentage of the total value and the required time period for the full liquidation of the portfolio).

Accordingly, as regards a given portfolio composition, the percentage that can be liquidated per day and the necessary period for full portfolio liquidation are estimated, based on the merchantability of individual positions therein (source: Bloomberg). For conservative approach purposes, it is considered that a share volume exceeding one third of the average daily trading volume during the previous quarter cannot be liquidated (investments in cash, term deposits and money market funds are considered to be highly liquid).

## 3. **Market risk**

Market risk pertains to the possibility of loss due to change to the market price of shares, interest rates, currencies, e.tc.

To limit the risk, the Company selects the companies in which it invests on qualitative and economic criteria. The Company will not invest more than 20% of its equity in transferable securities of the same issuer.

## **Currency risk**

The impact from the change of the exchange rates between various currencies do not materially affect the Company's results given that almost the entirety of the Company's assets is invested in euro (€).

## **Interest rate risk**

Interest rate risk arises from changes in the rate markets. Changes in interest rates greatly affect the present value of expected flows from an investment or liability.

## **Value at Risk – VaR**

The Company makes sure that the method of calculation of the total risk exposure is adequate, precise and reliable. For that reason, the Historical VaR methodology has been selected and its calculation is made on a daily basis using the application of Systemic SA. The value-at-risk approach is applied to the portfolio of the Investment Trust and its benchmark index on a daily basis, taking into account the following parameters:

- Confidence level of 99%,
- tracking period of risk factors of one (1) year (two hundred and fifty working days) from the date of calculation,
- investment horizon of one (1) month (twenty (20) working days)
- 
- the portfolio value-at-risk should be expressed as a proportion (%) of the Company's current value, (similarly for the case of the benchmark portfolio),
- checking that the portfolio's Value-at-Risk is not more than twice the Value-at-Risk of the benchmark portfolio, in order to ensure the Company's total leverage ratio remains under

It is noted that the above market risk calculation methodology does not only include the sensitivity of portfolio returns to major market risks (equity, interest rate, currency) to which the portfolio is exposed, but also to the correlations among them. Therefore, it is considered to provide a better and more realistic estimate of the total market risk for the portfolio.

Furthermore, the Company implements a program of retrospective controls (Back Testing), allowing it to compare the measurements of value-at-risk it has calculated against the daily change of the value of the Investment Trust's portfolio at the end of the following working day.

Additionally, the Company implements a system of stress testing, based on strict and sufficient criteria for risk calculation. These tests are applied on a monthly basis, using the portfolio composition of the last working day of the previous month, and focusing on risks that may emerge due to specific extreme historic scenarios or under conditions of unlikely changes such as in conditions of lack of liquidity or of realization

of a credit event in the markets in which the Company's portfolio invests. The stress tests focus on risks not fully covered by the value-at-risk method.

As regards fixed income securities, the sensitivity of bond prices is estimated at marginal change of interest rate levels through "duration".

#### **4. Operational risk**

Operational risk is the risk linked to the possibility of occurrence of a direct or indirect damage from a variety of factors linked to the Company's internal procedures, its IT systems and infrastructure but also external factors such as the various providers, the institutional framework and the generally accepted standards of investment management behavior.

The Company's aim is to manage operational risk in a way that reduces the possible damage to its reputation and achieves the targets set for its shareholders. The Board of Directors is totally responsible for the development and implementation of the procedures required for the smooth conduct of the Company's activities.

The management of the Company's portfolio, the risk management (Investment Management) and the provision of administrative services as defined in article 6, law 4209/2013 and pursuant to decision dated 22/02/2018 of the BoD, has been assigned to ALPHA TRUST by virtue of a "Management Agreement of an Alternative Investment Fund". Both companies are supervised by the Capital Market Commission.

The following should also be noted:

- The above contract is renewed regularly, on an annual basis and is each time approved by the Ordinary General Shareholders Meeting.
- According to the law, all securities and cash are kept by an independent custodian, the latter also signing the list of portfolio investments published and brought to the attention of the investment community
- Internal audit cooperates with and monitors the various activities assigned to ALPHA TRUST Mutual Fund and Alternative Investment Fund Management S.A. discouraging and minimizing the possibility of the appearance of issues that could cause problems in the Company's operation.
- The Company's Managing Director monitors daily the implementation of these contracts and resolves immediately any operational issues that could arise.

#### **Counterparty Risk:**

Its measurement requires the capturing of the daily receivables / obligations towards the counterparty, i.e. the custodian, given that all transactions take place in organised markets. Should the portfolio carry out transactions on financial instruments that are non-negotiable on an organized market, the counterparty risk is calculated based on the value-at-risk, in the event the counterparty does not fulfill its obligations.

## 1.4.2 Other risks

A part from the portfolio risks, the following risk is also examined:

Assignment risk: The BoD estimates that the risk of assigning activities to an external associate via a contract is virtually negligible, given that:

- a) these contracts are regularly renewed on an annual basis from the Ordinary General Shareholders Meeting.
- b) the Managing Director is regularly informed, monitoring the daily execution of these contracts and,
- c) The internal audit service that directly monitors their execution, under the supervision of the Audit Committee, minimizes the possibility that a relevant risk should emerge.

## 1.5 Financial and non financial performance indicators

Financial structure indicators				
	<u>31/12/2020</u>	<u>31/12/2019</u>	Break down	
Current Assets / Total assets	99,79%	99,71%	Allocation of capital between fixed and current assets	
Fixed assets / Total assets	0,21%	0,29%		
Equity / Total liabilities	95,91%	88,71%	Allocation of liabilities between equity and obligations	
Total obligations / total liabilities	4,09%	11,29%		
Equity / Total liabilities	95,91%	88,71%	Financial autonomy of the Company	

Performance and efficiency indicators				
	<u>31/12/2020</u>	<u>31/12/2019</u>	Break down	
Gross results / Total Gross turnover results	68,03%	67,72%	Gross profit margin	

Alternative performance indicator				
	<u>31/12/2020</u>	<u>31/12/2019</u>	Break down	
Net Asset Value	12,69 mil euro	12,42 mil euro	The value of the Company's investment portfolio including treasury shares and excluding liabilities. During the fiscal year the company did not distribute any dividend but has returned capital to its shareholders (300.852€).	

## 1.6 Information on employment and environmental issues

The Company did not employ any personnel while it has entered into contracts with external providers.

### Environmental management

The Company acknowledges its duty towards the environment and exercises its activities aiming at protecting it and constantly improving its environmental performance.

## 1.7 Additional information

### 1.7.1 1 Projected course

Although global recovery is expected to continue in 2021, this will not follow a linear course. There will be many challenges to tackle, both in Greece and internationally. In Greece, the positive outlook for the economy was halted last year due to the outbreak of the pandemic. However, a combination of factors such as the arrival of the vaccine, government measures to support businesses and the funds expected to flow in from the European Development Fund should gradually stimulate economic activity and put the country back on track for growth.

The carefully selected companies that make up ALPHA TRUST-ANDROMEDA's portfolio, are expected to continue to perform well as we move towards normality. It will not be easy course, but it will certainly give rise to new opportunities that we will methodically identify and make the most of.

### 1.7.2. Purchase of treasury shares

The Ordinary General Meeting dated 22.06.2020 has approved the termination of the program of the purchase of treasury shares which had been approved by the Extraordinary General Meeting dated 10.09.2018, and approved the purchase of treasury shares under the following terms and conditions:

- a) purchase of treasury shares up to 10% of the total outstanding shares of the Company at any given time.
- b) Upper limit for acquisition is set at euro 50,00 and lower limit is set at euro 1,00 per share.
- c) The share buyback period shall be 24 months, i.e. until 22/06/2022 or until the expiry of the duration of the Company for any reason whatsoever, whichever comes first.

On 31.12.2020 the Company owned 6631 treasury shares of a total value of 149.891,45 euro.

### 1.7.3. Dividends – Capital returns

The Company did not distribute any dividend in the FY 2020.

According to the decision of the Ordinary General Shareholders' Meeting dated 22.06.2020,

# alphatrust andromeda

the Company's share capital was decreased by € 300,852.00, through a decrease of the share's nominal value from € 14,50 to € 13,75 each, i.e. by 0,75 euro per share in order to return capital to the shareholders. Following the above decrease, the Company's share capital stood at € 5,515,620.00 divided into 401.136 common registered shares, of a nominal value of € 13,75 each.

## **1.8 Information to the investment public**

The financial statements correspond to the period from January 1 to December 31 2020 and have been prepared according to the International Financial Reporting Standards. The statements were approved by the Board of Directors on March 18, 2021 and shall be posted, along with this Management Report on the Internet at <http://www.andromeda.eu>.

With the purpose of providing continuous and full information about the financial results and general developments at the Company, a document entitled "Investors' Newsletter" is prepared at the end of each quarter and uploaded on the Company's website.

Furthermore, with the purpose of providing regular and timely information to shareholders and investors, a Monthly Report is posted on our website upon the closing of each month.

The net asset value per share as well as any news concerning the Company is posted daily on the Company's website.

## **1.9 Related Parties Transactions and other important agreements**

The Company is listed in the Athens Stock Exchange and its share capital is broadly distributed in the investment community.

Based on IAS 24, related is a party that has the ability to control or to exercise significant influence over the company's financial or operating decisions. Members of the Board of Directors and the Company's Management as well as the closest members of their families are considered as related parties.

Except the transactions with related parties (BoD members) the company has concluded the following important agreements:

The Company's portfolio management as well as risk management (Investment Management), according to decision of its Board of Directors dated 22/02/2018 has been assigned under a "Management Agreement of an Alternative Investment Fund", to ALPHA TRUST. The latter has performed such management during the period 1/01-31/12/2020 based on the investment policy that has been determined. The term of this agreement, as amended and in force, which was approved by the Ordinary General Shareholders Meeting on 22/06/2020 pursuant to the provisions of Law 3371/2005 and Law 4209/2013, unless terminated, will be automatically renewed for one year each time, upon approval of the ordinary general meeting of shareholders. The Board of Directors has also designated an Investment Committee, which has an exclusively advisory nature as regards investment issues of the Company. For these services, the fees to ALPHA TRUST are set at 1.5% p.a. on the daily market value of the ANDROMEDA portfolio, as this arises from the daily list of investments, incremented by any receivables and reduced by any obligations from the purchase of securities. If the achieved annual percentage yield on the NAV of ANDROMEDA's portfolio is positive, in addition to its remuneration, ALPHA TRUST will be entitled to a further success fee of 20% of the achieved positive yield.

# alphatrust andromeda

By virtue of the above agreement, ALPHA TRUST was assigned with the provision of administrative services as defined in article 6, law 4209/2013, which include legal services, accounting services, shareholders' help desk services, checking of compliance with regulatory provisions, other administrative services, advertising, commercial promotion, e.tc. For these services the fee of ALPHA TRUST is set to 4,265.00€ monthly plus VAT.

The Company has entered into a loan agreement of a salaried employee from ALPHA TRUST whom it employs as an internal auditor.

On 26.03.2020, the Company's Board approved the conclusion of a sub-lease agreement with ALPHA TRUST S.A. Mutual Fund and Alternative Investment Fund Management Societe Anonyme for the sub-lease of office space in a building located at 7 Kavalieratou Street in Kifissia, in order to transfer its offices from 21 Tatoiou Street in Kifissia and terminate the sub-lease agreement of 03.10.2008 with ALPHA TRUST HELLENIC LAND SA REAL ESTATE, a 99.99% subsidiary of ALPHA TRUST. The Company's seat remains in the Municipality of Kifissia. The sub-lease agreement was signed on 04.05.2020 and expires on 31.12.2022.

The Shareholders' Ordinary General Meeting pre-approves the fees to the Board of Directors as well as the Managing Directors' fees.

The members of the Board of Directors participating in the Management or in the share capital of other companies are the following:

- Mr. Alexander Zagoreos is a member of the BoD of: The World Trust Fund, Aberdeen Emerging Smaller Companies Opportunities Fund, Alpha Trust Andromeda Fund.
- Mr Faidon – Theodoros Tamvakakis is the Chairman of ALPHA TRUST Mutual Fund and Alternative Investment Fund Management S.A and participates in its share capital by 20,803%. He is the Chairman and Managing Director of the company «Plant and Growth S.A.» and participates in its share capital by 100%. He is an independent non-executive member of the company «Quest Holdings SA», Vice-Chairman of the BoD-independent non-executive member of BRIQ PROPERTIES S.A. Investment in Immovable Property.
- Mr. Anastasios Adam is the Managing Director of the company « Papamarkou Wellner Asset Management, Inc » (New York).
- Mr. Nikolaos Kyriazis is the vice chairman and non-executive member of the BoD of «Ergoman S.A.».
- Mr James Edward Jordan is a member of the BoD of THE FIRST EAGLE FAMILY OF MUTUAL FUNDS and JZ CAPITAL PARTNERS, LLC (GUERNSEY INVESTMENT TRUST COMPANY).

Transactions with related parties and the amounts of important contracts for the periods 1/1- 31/12/2020 and 1/1-31/12/2019 are as follows:

## Important Contracts

### Important Contracts: Presentation in the Income Statement and the Statement of Other Comprehensive Income

ALPHA TRUST Mutual Fund and Alternative Investment Fund Management S.A	01/01-31/12/2020	01/01-31/12/2019
- Portfolio management fees	198.265,44	233.257,77
- Success Fee	305.847,90	1.000.404,60



# alphatrust andromeda

- Fee for employee borrowing	43.152,00	43.152,00
- Fee for accounting office support	63.463,20	63.463,20
<b>- Total</b>	<b>610.728,54</b>	<b>1.340.277,57</b>

<b>Alpha Trust Elliniki Gi S.A. Ktimatiki</b>	<b>01/01- 31/12/2020</b>	<b>01/01- 31/12/2019</b>
- Fees for rents	2.500,00	7.500,00
<b>ALPHA TRUST Mutual Fund and Alternative Investment Fund Management S.A</b>	<b>01/01- 31/12/2020</b>	<b>01/01- 31/12/2019</b>
- Fees for rents	5.000,00	-

## Transactions with related parties: Presentation of transactions in the Statement of Comprehensive Income

<b>BoD's fees</b>	<b>31/12/2020</b>	<b>31/12/2019</b>
- BoD's fees	84.000,00	84.000,00
- Managing Director's fees	24.999,96	24.999,96
- EFKA social security contributions	15.424,92	15.490,97
<b>Total</b>	<b>124.424,88</b>	<b>124.490,93</b>

The balance of receivables and liabilities of related parties and important contracts on 31/12/2020 and 31/12/2019 are as follows:

## Presentation in the Statement of Financial Position

	<b>31/12/2020</b>	<b>31/12/2019</b>
	<b>Liabilities</b>	<b>Liabilities</b>
<b>ALPHA TRUST Mutual Fund and Alternative Investment Fund Management S.A</b>	305.847,90	1.030.414,52
<b>BoD's fees</b>	0,00	24.179,97
<b>Total</b>	<b>305.847,90</b>	<b>1.034.392,47</b>
	<b>Receivables</b>	<b>Receivables</b>
<b>Alpha Trust Elliniki Gi S.A. Ktimatiki</b>	-	<b>1.250,00</b>
<b>ALPHA TRUST Mutual Fund and Alternative Investment Fund Management S.A</b>	<b>1.250,00</b>	-

The shareholders' ordinary general meeting dated 22.06.2020, has approved the fees paid to BoD members for the fiscal year 2020 totaling 200,000.00 euro and remuneration of the Chief Executive Officer an additional amount of 25,000.00 euro. However, the members were paid the total amount of 124,424.88 euro including the EFKA social security contributions (€ 84,000.00 Board fees, € 24,999.96 CEO fees and 15,424.92 social security contributions on the total fees.

During the fiscal year 2020 there were no changes in the transactions between the Company and its related parties, that could have significant effect in the Company's financial position and performance.

## 1.10 Going Concern

The outbreak of the COVID-19 pandemic and the measures adopted by the government to mitigate its spread have had a significant impact on the economy.

The company's management:

- monitors the measures taken by the government and examines their impact on its operations.
- closely monitors its liquidity and is prepared to take short-term measures, as appropriate, to safeguard its interests and maintain key indicators at acceptable levels.
- monitors developments in financial markets to assess the impact on its clients' investment portfolios.

Overall, it is too early to assess how the COVID-19 pandemic will affect the company's sector and for how long. However, the company is monitoring developments and adapting its operations accordingly, to ensure effective and efficient management of this difficult situation. The company maintains its operational capacity, robust net worth as well as satisfactory liquidity.

The Board of Directors, taking into account:

- the Company's financial situation;
- the risks the Company faces that could have a negative impact on its business model and capital adequacy; and
- the fact that no significant uncertainties are identified in relation to the Company's ability to continue operating as a "going concern" for the foreseeable future and in any event for a period of at least 12 months from the approval date of the Annual Financial Report;

declares that it still considers the going concern principle as an appropriate basis for the preparation of the Company's financial statements and that there are no significant uncertainties in relation to the Company's ability to continue to apply this principle in the foreseeable future and in any event for a period of at least 12 months from the approval date of the Annual Financial Report.

By decision of the first Adjourned Extraordinary General Meeting of Shareholders dated 10.12.2018, the duration of the Company has been set until 31.12.2022.

## 1.11 Effects Covid -19

The outbreak of the COVID-19 epidemic put the country in a state of crisis and the Greek Government took immediate measures to limit its profound impact on society and the economy as far as possible, as the epidemic affects not only the general population but also many organisations and businesses. The efforts of the Greek Government aim to effectively contain the spread of the virus while safeguarding jobs and the economy in general through financial support measures, the deferral of payments to the state, support for employees and the unemployed, etc. At the same time, the Company acted immediately by taking measures to safeguard:

- The health and safety of its employees and associates
- Business continuity
- That it is able to minimise the operational and financial consequences of COVID-19

### **Impact on the operation of the Company**

The Company's management is monitoring developments closely and systematically and ensures on a daily

basis that the measures deemed appropriate and necessary are taken to ensure business continuity, its smooth operation and to minimise the negative consequences. The Management is also closely monitoring developments as regards the pandemic, follows the guidance of local health authorities and complies with the requirements and actions implemented by the Greek government. The Company has implemented contingency plans to limit the possible impact on its associates.

Via an Alternative Investment Fund Management Contract, the Company has entrusted its portfolio management and risk management (Investment Management) to ALPHA TRUST. Through this contract, it has also entrusted ALPHA TRUST with the provision of management services, within the meaning of article 6 of Law 4209/2013.

In particular, ALPHA TRUST:

- Has activated a crisis management plan for COVID-19, implementing policies and procedures that allow flexible forms of work, ensuring that the company's daily operations can be handled smoothly and seamlessly by its competent executives either from their workplace or via teleworking.
- Updates and implements the National Public Health Organisation's instructions on the protection and personal hygiene of employees, to prevent the spread of the virus. All workplaces are cleaned more frequently, more thoroughly and with stronger disinfectants.
- Has provided strict recommendations to employees to avoid personal travel, crowded meetings or gatherings. Has provided specific instructions to employees on what to do if they present symptoms of the virus or suspect they are infected, in line with the National Public Health Organisation's instructions.

## **Impact on the company's financial position**

### **Profit and loss**

Gross income for FY 2020 totalled approximately €1,733 thousand, derived mainly from gains in the valuation of financial assets at fair value through profit or loss, according to IFRS. Gains from the valuation of financial assets increased mainly due to market optimism after the announcements of a vaccine against COVID-19. Expenses for the FY totalled approximately 844.5 th. euros, vs approximately 1,566 th. euros for FY 2019; this difference is due to the fact that there was little goodwill on the company's portfolio and therefore the manager's success fee was lower than last year.

### **Liquidity**

The availability of significant liquidity buffers and their management have allowed liquidity ratios to be maintained at satisfactory levels, despite the significant impact of the price drops caused by the pandemic on the company's financials.

### **Net worth**

Despite losses in the first half of 2020, due to the impairment of its portfolio as the Greek stock market was heavily affected by international markets, in the second half of the year, due to positive news on the COVID-19 front the company recovered and closed the year with profits of 878 th. euros. The company's net worth remains satisfactory.

## **Risk management**

The company invests in companies listed on the Greek stock exchange, which it selects based on fundamental analysis with the aim of achieving long-term capital gains.

Therefore, the course of its portfolio is directly linked to the course of the ATHEX. We aim to adopt a prudent approach and create a portfolio of blue chip companies, which we evaluate based on fundamental criteria. In addition, our goal in portfolio management is to keep the risk at a lower level than that of the General Index, as expressed by the relative var. The impact of the COVID-19 pandemic has been included in the historical stress test scenarios conducted on a regular basis for the portfolio.

The Company ensures that the method for computing overall risk exposure is suitable, and that the most accurate and reliable method is used. For this purpose, the Historical VaR method has been selected and is calculated on a daily basis using the Systemic SA system. The Value-at-Risk approach is applied to the Portfolio Investment Company's portfolio and its benchmark index on a daily basis. The above methodology for measuring market risk includes not only the sensitivity of portfolio returns to major market risks (equity, interest rate, currency) to which the portfolio is exposed, but also the correlations among them. Therefore it is considered to provide a better and more realistic assessment of the overall market risk of the portfolio.

Finally, the Company also uses back testing, which compares the Relative-Value-at-Risk measurements calculated using the daily changes in the value of the Portfolio Investment Company's portfolio at the end of the previous working day.

## **Safety, business continuity and measures taken**

The measures adopted by the health authorities, including work from home, have been implemented. The company's priority is ensuring the health and safety of employees and their families while maintaining business continuity, always following the recommendations of the health authorities. The Company's management is monitoring developments closely and systematically and ensures on a daily basis that the measures deemed appropriate and necessary are taken to ensure business continuity, its smooth operation and to minimise the negative consequences. Prioritising the health and safety of its employees, it moved swiftly and decisively, designed and immediately began to implement a plan of measures and actions mainly focused on: the development of a safe working environment and the adoption of remote working policies where feasible and necessary, promoting safety and the use of state-of-the-art information technology for videoconferencing, to minimise travel. Strict operating rules have been adopted for the protection and safety of employees.

## **1.12 Post balance sheet events**

There is no other event worth mentioning following the date of 31 December 2020 that might have had a significant impact on the company's financial statements or course.

## **1.13 BoD's explanatory report**

The present explanatory report of the Board of Directors to the Ordinary General Shareholders' Meeting contains analytical information regarding the issues of paragraph 7, article 4, of Law 3556/2007.

### **I. Structure of the Company's Share Capital.**

The Company's share capital stands at € 5,515,620.00, divided into 401,136 ordinary registered shares with a nominal value of € 13.75 each. The shares of the Company as a whole are registered and listed for

trading on the Athens Exchange.

The rights of the Company's shareholders, as arising from its shares, are proportionate to the percentage of capital the paid value of the shares corresponds to. Each share confers all the rights provided by law and its statutes, and in particular:

- a) The right to receive a dividend from the annual or upon liquidation profits of the Company. Subject to the applicable legislation, the appropriation of the Company's profits, if and to the extent that they can be appropriated in accordance with article 159 of Law 4548/2018, is effected as follows.
  - I. The amounts of the credit items in the profit and loss account not representing realised profit are deducted.
  - II. a sum is deducted, according to law, for the formation of a statutory reserve.
  - III. the amount required for the payment of the minimum dividend is retained.
  - IV. the balance of net profits is allocated by decision of the General Meeting.
  - V. Non-distribution of the minimum dividend set by law is permitted only by decision of the General Meeting, which is taken with the increased quorum stipulated by paragraphs 3 and 44 of Article 130 of Law 4548/2018 and a majority of eighty percent (80%) of the capital represented at the Meeting.
- b) The right to recover the contribution during liquidation, or, similarly, the right to amortization of the capital corresponding to the share, provided this has been decided by the General Meeting.
- c) the pre-emptive right in every Company share capital increase exercised in cash and the acquisition of new shares.
- d) The right to receive a copy of the financial statements and reports by the chartered accountants/auditors and the Company's Board of Directors.
- e) The right to participate in the General Meeting, which is specifically comprised of the following individual rights: Legitimization, attendance, participation in discussions, submission of proposals on agenda issues, recording of opinions in the minutes of the meeting and voting.
- f) The General Meeting of the Company shareholders reserves all rights during liquidation. The liability of Company shareholders is limited to the nominal value of the shares they own.

## **II. Limitations in Transferring Company Shares.**

Transfer of Company shares is carried out according to the Law, with no restrictions stipulated by the company's Articles of Association as to their transfer, considering that these are intangible shares listed on the Athens Stock Exchange.

## **III. Significant Direct or Indirect Participations According to the Meaning of the Provisions of Articles 9-11 of Law 3356/2007.**

There are shareholders who directly own a percentage greater than 5% of the total number of Company shares:

GUARANTY FINANCE INVESTORS LLC 14,69%

REGINA COMPANY INC 10,92%

DOMETIOU GEORGIA (KEM) 5,15%

NATIONAL BANK OF GREECE 5,08%

TAMVAKAKIS FAIDON THEODOROS 5,02%

ALPHA ASSET MANAGEMENT Mutual Fund Management S.A. 5,00%

The percentage of ALPHA TRUST Mutual Fund and Alternative Investment Fund Management S.A. is broken down as follows: direct participation: 0,007 % and indirect participation: 23,50%. Regarding the detailed analysis of the indirect participation of the person responsible for the notification, and despite the fact that said person, according to his own declaration, is outside the definition of the «Controlling Undertaking» the following is noted:

i) ALPHA TRUST possesses a total percentage of voting rights of 23,5037% – direct participation: 0,007% and indirect participation (based on paragraphs (e), (g) and (h) of article 10): 23,5037%, which is further clarified on points ii) and iii). ii) Alternative Investment Funds under Management, with the subsidiary ALPHA TRUST LUXEMBOURG S.à r.l. being the general shareholder of the Investment Fund under Management ALPHA TRUST FALCON INVESTMENT S.C.A. SICAV-SIF with the sub- fund «ALPHA TRUST FALCON INVESTMENT S.C.A. SICAV-SIF – FALCON REX INVESTMENT SUB- FUND» holding a total percentage of 5,0646% of the voting rights .iii) UCITS under management and private clients' portfolios under management, with the mutual fund ALPHA TRUST HELLENIC EQUITY FUND possessing 7,540% of voting rights, while no other person / entity possesses a percentage of voting rights exceeding 5%. With the exception of the above Alternative Investment Fund «ALPHA TRUST FALCON INVESTMENT S.C.A. SICAV-SIF» and the UCITS ALPHA TRUST HELLENIC EQUITY FUND, no other person / entity, the rights of which may be exercised by the person responsible for the notification, possesses shares of the issuer above 5%.

## **Shares Granting Special Control Rights.**

There are no Company shares granting their owners special control rights.

## **Voting Right Limitations.**

No voting right limitations, arising from the shares, are stipulated in the Company's Articles of Association.

## **Agreements Between Company Shareholders.**

The Company is not aware of any agreements whatsoever between its shareholders that imply limitations to the transfer of Company shares or the exercise of voting rights derived from these shares.

## **Regulations on Appointing and Replacing BoD Members and Amending the Articles of Association.**

The regulations provided by the Company's Articles of Association regarding the appointment and replacement of members of the Board of Directors and the amendment of provisions of its Articles of Association are no different than those stipulated in Codified Law 4548/2018.

## **Responsibility of the BoD regarding the Issuance of New or the Purchase of Treasury Shares.**

A) The Board of Directors does not have the authority either to issue new shares, or to purchase treasury shares without previous approval of the General Assembly.

B) Pursuant to the provisions of article 49 of Codified Law 4548/2018, upon decision of their shareholders General Meeting, which sets the goal, terms, and prerequisites, the companies listed on the Athens Stock Exchange can acquire treasury shares through the Athens Stock Exchange, up to 10% of the total number of shares.

## **Significant Agreements that Come into Force, are Amended, or Terminated in the Event of Change of**

**Control, Following a Takeover Bid.**

There are no agreements, which come into force, are amended, or terminated in the event of change of Company control, following a takeover bid.

**Agreements with Members of the Board of Directors or Company Personnel.**

There are no agreements between the Company and members of the Board of Directors, which provide for the payment of compensation, especially in the event of resignation or termination of employment without reasonable grounds or termination of term or employment due to a takeover bid.

Dear shareholders, as presented in detail in the present Report, the Company's results for the FY 2020 are deemed as particularly satisfactory given the conditions of the economy due to the outbreak of the pandemic. They stood at € 0,878 mil. compared to gains of € 2,38 mil of the corresponding period last year and resulted mainly from the valuation of securities at fair value based on the IFRS and from gains from the purchase and sale of securities.

In order to meet the shareholders' expectations, the Company's Management proposed to your Ordinary General Shareholders' Meeting dated 22/06/2020 and you have consequently approved, the capital return of € 0,75 per share with a decrease of the share capital by € 300,852.00.

The returned amount was paid to shareholders, following the approval by the Authorities, on 01/10/2020. We hope that the acceleration of the growth rate of the economy, the credit rating upgrade of the country and the continuation of reforms, provided that the international environment remains favourable, shall allow the achievement of positive performance.

Kifissia, March 18 2021

THE VICE CHAIRMAN OF THE BOD

FAIDON-THEODOROS TAMVAKAKIS



## **Independent Auditor's Report**

To the Shareholders of ALPHA TRUST - ANDROMEDA INVESTMENT TRUST S.A.

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of ALPHA TRUST - ANDROMEDA INVESTMENT TRUST S.A. (the Company), which comprise the statement of financial position as at 31 December 2020, the statements of income and other 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 financial statements present fairly, in all material respects, the financial position of ALPHA TRUST - ANDROMEDA INVESTMENT TRUST S.A. as at 31 December 2020, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) as incorporated into the Greek Legislation. 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 throughout our appointment in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), as incorporated into the Greek Legislation and the ethical requirements that are relevant to the audit of the financial statements in Greece, and we have fulfilled our other ethical responsibilities in accordance with the requirements of the current legislation and the above-mentioned IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

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



**Valuation of financial assets at fair value through profit or loss**

We focused on this matter because the financial assets measured at fair value through profit or loss, represent the larger percentage of the Company's assets in the statement of financial position at 31 December 2020. At this date, the fair value of the above financial assets amounts about € 12,35 mil. and represents about 95% of the Company's total assets.

Also, during the year from 1 January to 31 December 2020, the result obtained from the measurement of these financial assets amounted to profit about € 2,30 million.

The Company's accounting policy related to the above financial assets measured at fair value through profit or loss is presented in note 2.7 to the notes to financial statements.

In note 3.5 to the notes to financial statements are presented the valuation methods used for the financial assets measured at fair value through profit or loss.

Our approach included, among other, the performance of the following procedures:

- evaluation of the fair value of the financial assets in relation to the quoted prices in active markets at the reporting date of the financial statements and the recalculation, on a sample basis, of the result obtained from the valuation.
- examination of the information systems environment of the service organization, including the internal procedures and controls related to the calculation of the acquisition cost of securities.
- assessment of the accounting policies relating to the measurement of financial assets at fair value through profit or loss.
- evaluation of the adequacy of disclosures in the financial statements in respect of the financial assets measured at fair value through profit or loss.

**Other Information**

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our 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 of this 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 for the Financial Statements**

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

The Audit Committee (art. 44 L. 4449/2017) of the Company is responsible for overseeing the Company's financial reporting process.

### **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, as incorporated into the Greek Legislation, 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 as incorporated into the Greek Legislation, we exercise professional judgement 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.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the audited period and are therefore the key audit matters.

## **Report on other Legal and Regulatory Requirements**

### **1. Board of Directors' Report**

Taking into consideration that management is responsible for the preparation of the Board of Directors' Report and the Corporate Governance Statement included in this report, according to the provisions of paragraph 5 of article 2 of L. 4336/2015 (part B'), we note that:

- a) The Board of Directors' Report includes the Corporate Governance Statement that provides the data and information defined under article 152 of L. 4548/2018.
- b) In our opinion the Board of Directors' Report has been prepared in accordance with the applicable legal requirements of the article 150 and the paragraph 1 (cases c' and d') of the article 152 of L. 4548/2018 and its content corresponds with the accompanying financial statements for the year ended 31.12.2020.
- c) Based on the knowledge we obtained during our audit of ALPHA TRUST - ANDROMEDA INVESTMENT TRUST S.A. and its environment, we have not identified any material misstatements in the Board of Directors' Report.

### **2. Additional Report to the Audit Committee**

Our audit opinion on the accompanying financial statements is consistent with the Additional Report to the Company's Audit Committee referred to in Article 11 of European Union (EU) Regulation 537/2014.

### **3. Provision of Non-Audit Services**

We have not provided to the Company the prohibited non-audit services referred to in Article 5 of EU Regulation 537/2014.

#### **4. Auditor's Appointment**

We have been appointed for the first time Certified Auditors Accountants of the Company under the Company's statute (G.G. 7173/31-7-2000) for the financial year ended 31.12.2001. Since then our appointment has been continuously renewed for a total period of 20 years based on the annual decisions taken by the ordinary general meeting of shareholders.

Athens, 18 March 2021

#### **IOANNIS TH. FILIPPOU**

Certified Public Accountant Auditor

Institute of CPA (SOEL) Reg. No. 1720

SOL S.A.

Member of Crowe Global

3, Fok. Negri Str., 112 57 Athens, Greece

Institute of CPA (SOEL) Reg. No. 125

**ANNUAL FINANCIAL STATEMENTS**

FOR THE PERIOD FROM 1 JANUARY 2020 TO 31 DECEMBER 2020  
IN ACCORDANCE WITH THE INTERNATIONAL FINANCIAL REPORTING  
STANDARDS (IFRS)

INVESTMENT TRUST

Hellenic Capital Market Commission Authorisation No.: 5/192/6.6.2000 General  
Electronic Commercial Registry No. 003882701000 Seat: 7 Taki Kavalieratou St.,  
Kifissia, GR-14564, Tel. 210 62 89 100 Fax: 210 62 34 242

“Blank page”

## CONTENTS

<b>STATEMENT OF COMPREHENSIVE INCOME .....</b>	<b>43</b>
<b>STATEMENT OF FINANCIAL POSITION .....</b>	<b>44</b>
<b>STATEMENT OF CHANGES IN EQUITY .....</b>	<b>45</b>
<b>CASH FLOW STATEMENT .....</b>	<b>46</b>
<b>NOTES TO THE FINANCIAL STATEMENTS .....</b>	<b>47</b>
<b>1 General information about the Company .....</b>	<b>47</b>
<b>2 Summary of main accounting policies .....</b>	<b>48</b>
2.1 Framework of preparation of the financial statements .....	48
2.2 Adoption of new and revised international standards .....	50
2.3 Use of estimates and assumptions .....	54
2.4 Foreign currency .....	54
2.5 Income and expenses .....	54
2.6 Portfolio tax .....	55
2.7 Financial assets .....	55
2.8 Tangible assets .....	56
2.9 Short-term receivables .....	56
2.10 Cash and cash equivalents .....	57
2.11 Share capital .....	57
2.12 Own shares .....	57
2.13 Dividends .....	57
2.14 Provisions .....	57
2.15 Liabilities .....	58
2.16 Operating Segments .....	58
2.17 Related parties .....	58
2.18 Financial Instruments .....	58
2.19 Leases .....	62
<b>3 Financial risk management .....</b>	<b>65</b>
3.1 Market risk .....	66
3.2 Credit risk .....	70
3.3 Liquidity risk .....	71
3.4 Operational Risk .....	72
3.5 Financial Instruments .....	73
<b>4 Gross portfolio management income .....</b>	<b>75</b>
<b>5 Portfolio Management Cost .....</b>	<b>76</b>
<b>6 Other income - expenses .....</b>	<b>76</b>
<b>7 Administrative expenses .....</b>	<b>76</b>
<b>8 Portfolio tax (Law 3371/2005) .....</b>	<b>77</b>
<b>9 Basic and reduced earnings per share .....</b>	<b>77</b>
<b>10 Right-of-use assets .....</b>	<b>77</b>
<b>11 Other non-current assets .....</b>	<b>78</b>

# alphatrust andromeda

12	Receivables from brokers .....	78
13	Other receivables .....	78
14	Financial assets presented at fair value through profit and loss .....	78
15	Cash and cash equivalents .....	79
16	Share capital .....	79
17	Premium on capital stock .....	80
18	Other reserves.....	80
19	Retained earnings.....	80
20	Own shares .....	80
21	Lease liabilities .....	80
22	Taxes owed.....	81
23	Dividends payable .....	81
24	Other liabilities .....	82
25	Dividends .....	82
26	Contingent liabilities.....	82
27	Transactions with related parties and other important contracts .....	82
28	Other information.....	85
29	Impact of the COVID-19 pandemic .....	86
30	Subsequent events .....	88
	INFORMATION REQUIRED PURSUANT TO ARTICLE 10 OF LAW 3401/2005 .....	89
	WEBSITE ON WHICH THE ANNUAL FINANCIAL REPORT AND OTHER INFORMATION REQUIRED ARE POSTED .....	91



## STATEMENT OF COMPREHENSIVE INCOME

(amounts in euro)

### Continuing operations

		1/1-	1/1-
	Note	31/12/2020	31/12/2019
Gross portfolio management income	4	1,732,959.62	3,998,999.58
Portfolio management cost	5	-554,057.68	-1,290,950.00
<b>Gross Profit (gross losses)</b>		<b>1,178,901.94</b>	<b>2,708,049.58</b>
Other income - expenses	6	385.59	-1,165.34
Administrative expenses	7	-290,549.50	-276,214.07
<b>Earnings / (losses) before tax</b>		<b>888,738.03</b>	<b>2,430,670.17</b>
Portfolio tax (Law 3371/2005)	8	-10,682.63	-51,459.29
<b>Earnings / (losses) after tax (A)</b>		<b>878,055.40</b>	<b>2,379,210.88</b>
<b>Basic and reduced earnings per share (€)</b>	9	<b>2.1981</b>	<b>5.9357</b>
<b>Other total income (expenses) after tax (B)</b>		<b>0.00</b>	<b>0.00</b>
<b>Total comprehensive income after tax (A)+(B)</b>		<b>878,055.40</b>	<b>2,379,210.88</b>

The accompanying notes form an integral part of the financial statements.

## STATEMENT OF FINANCIAL POSITION

(amounts in euro)

<u>Assets</u>	<u>Note</u>	<u>31/12/2020</u>	<u>31/12/2019</u>
<b>Non-current assets</b>			
Right-of-use assets	10	25,135.71	37,703.58
Other non-current assets	11	2,480.00	2,480.00
<b>Total non-current assets</b>		<b>27,615.71</b>	<b>40,183.58</b>
<b>Current Assets</b>			
Receivables from brokers	12	0.00	58,270.62
Other receivables	13	15,292.47	14,679.18
Financial assets presented at fair value through profit and loss	14	12,350,476.38	11,969,103.97
Cash and cash equivalents	15	683,916.78	1,555,905.08
<b>Total non-current assets</b>		<b>13,049,685.63</b>	<b>13,597,958.85</b>
<b>Total assets</b>		<b>13,077,301.34</b>	<b>13,638,142.43</b>
<b>Equity &amp; Liabilities</b>			
<b>Equity</b>			
Share Capital	16	5,515,620.00	5,816,472.00
Share premium	17	1,033,023.00	1,033,023.00
Other reserves	18	2,586,211.41	2,586,211.41
Retained earnings	19	3,557,726.73	2,679,671.33
Own shares	20	-149,891.45	-16,427.65
<b>Total equity</b>		<b>12,542,689.69</b>	<b>12,098,950.09</b>
<b>Liabilities</b>			
<b>Long-term liabilities</b>			
Long-term lease liabilities	21	13,449.15	26,257.86
<b>Total long-term liabilities</b>		<b>13,449.15</b>	<b>26,257.86</b>
<b>Short-term liabilities</b>			
Taxes owed	22	1,279.16	0.00
Dividends payable	23	1,556.25	1,556.25
Other liabilities	24	505,518.38	1,499,179.46
Short-term lease liabilities	21	12,808.71	12,198.77
<b>Total short-term liabilities</b>		<b>521,162.50</b>	<b>1,512,934.48</b>
<b>Total liabilities</b>		<b>534,611.65</b>	<b>1,539,192.34</b>
<b>Total equity and liabilities</b>		<b>13,077,301.34</b>	<b>13,638,142.43</b>

The accompanying notes form an integral part of the financial statements.

## STATEMENT OF CHANGES TO EQUITY

(amounts in euro)

	Share capital	Share premium	Other reserves	Own shares	Retained earnings	Total equity
<b>Total equity 1/12/2019</b>	<b>6,418,176.00</b>	<b>1,033,023.00</b>	<b>2,586,211.41</b>	<b>0.00</b>	<b>300,460.45</b>	<b>10,337,870.86</b>
<i>Consolidated comprehensive income</i>						
Profits / (losses) net of tax	-	-	-		2,379,210.88	<b>2,379,210.88</b>
Other comprehensive income	-	-	-		-	-
<b>Consolidated comprehensive income</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2,379,210.88</b>	<b>2,379,210.88</b>
<i>Transactions with shareholders posted directly in equity</i>						
Reduction in share capital	-601,704.00	-	-			<b>-601,704.00</b>
Purchase of own shares				-16,427.65		<b>-16,427.65</b>
<b>Total transactions with shareholders</b>	<b>-601,704.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-16,427.65</b>	<b>0.00</b>	<b>-618,131.65</b>
<b>Total equity 31/12/2019</b>	<b>5,816,472.00</b>	<b>1,033,023.00</b>	<b>2,586,211.41</b>	<b>-16,427.65</b>	<b>2,679,671.33</b>	<b>12,098,950.09</b>
<b>Total equity 01/01/2020</b>	<b>5,816,472.00</b>	<b>1,033,023.00</b>	<b>2,586,211.41</b>	<b>-16,427.65</b>	<b>2,679,671.33</b>	<b>12,098,950.09</b>
<i>Consolidated comprehensive income</i>						
Profits / (losses) net of tax	-	-	-	-	878,055.40	<b>878,055.40</b>
Other comprehensive income	-	-	-	-	-	-
<b>Consolidated comprehensive income</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>878,055.40</b>	<b>878,055.40</b>
<i>Transactions with shareholders posted directly in equity</i>						
Reduction in share capital	-300,852.00	-	-			<b>-300,852.00</b>
Purchase of own shares				-133,463.80		<b>-133,463.80</b>
<b>Total transactions with shareholders</b>	<b>-300,852.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-133,463.80</b>	<b>0.00</b>	<b>-434,315.80</b>
<b>Total equity 31/12/2020</b>	<b>5,515,620.00</b>	<b>1,033,023.00</b>	<b>2,586,211.41</b>	<b>-149,891.45</b>	<b>3,557,726.73</b>	<b>12,542,689.69</b>

The accompanying notes form an integral part of the financial statements.

## CASH FLOW STATEMENT

(amounts in euro)

	Note	1/1- 31/12/2020	1/1- 31/12/2019
<b><u>Operating activities</u></b>			
Accounts receivable		1,803,184.82	3,934,455.72
Payments to suppliers, etc.		-1,918,294.48	-2,965,284.60
Tax paid		-9,403.47	-83,256.74
Interest payments		-1,922.83	-2,513.57
<b>Total inflow / (outflow) from operating activities (a)</b>		<b>-126,435.96</b>	<b>883,400.81</b>
<b><u>Investing activities</u></b>			
<b>Total inflow / (outflow) from investing activities (b)</b>		<b>0.00</b>	<b>0.00</b>
<b><u>Financing activities</u></b>			
Purchase of own shares	20	-133,463.80	-16,427.65
Payments to reduce share capital		-599,889.77	-297,576.00
Repayment of lease liabilities	21	-12,198.77	-11,814.82
Dividends distributed	23	0.00	-1,537.60
<b>Total inflow / (outflow) from financing activities (c)</b>		<b>-745,552.34</b>	<b>-327,356.07</b>
<b>Net increase/ (decrease) in cash and cash equivalents (a) + (b) +(c)</b>		<b>-871,988.30</b>	<b>556,044.74</b>
Cash and cash equivalents at the beginning of the period		1,555,905.08	999,860.34
<b>Cash and cash equivalents at the end of the period</b>		<b>683,916.78</b>	<b>1,555,905.08</b>

The accompanying notes form an integral part of the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

### 1 General information about the company

**Company name:** ALPHA TRUST-ANDROMEDA PORTFOLIO INVESTMENT CO S.A., trading as ALPHA TRUST ANDROMEDA S.A., as defined in Article 1 of the Company's Articles of Association.

**Establishment:** The Company's Articles of Association were prepared by the Athens-based notary public Evangelos Drakopoulos by means of deed No. 3353/21.6.2000 and corrective deed No. 3396/24.7.2000 and were approved by decision No. K2-8479/25-7-2000 of the Ministry of Development (Government Gazette 7173/31.7.2000). It was granted authorisation by Hellenic Capital Market Commission Decision No. 5/192/6.6.2000. It is governed by the provisions of Articles 27-40 of Codified Law 3371/2005 on portfolio investment companies, the provisions of Law 4209/2013 on alternative investment funds and the provisions of Law 4548/2018 on societies anonymes.

As a portfolio investment company, the Company is subject to the code of ethics of Mutual Fund Management Companies and Portfolio Investment Companies (Hellenic Capital Market Commission decision No. 132/2/19.5.1998).

**Seat:** The Municipality of Kifissia, and in particular at 7 Taki Kavalieratou St., at offices which have been leased by the company ALPHA TRUST MUTUAL FUND MANAGEMENT AND ALTERNATIVE INVESTMENT FUND Co. S.A.

**Effective term:** On 10.12.2018 the Extraordinary General Meeting amended Article 4 of the Articles of Association and its effective term was extended to 31.12.2022. The company's effective term may be extended by decision of the General Meeting taken in accordance with the provisions of Articles 27(3) and (4) and 28(2) of the Articles of Association.

**Company objects:** The Company's objects, as set out in Article 3 of its Articles of Association and based on the decision of the 1st Repeat Ordinary General Meeting of Shareholders of 20.4.2015, are to exclusively manage the portfolio of transferable securities in accordance with the provisions of Codified Law 3371/2005 and Law 4209/2013 and in a supplementary manner in accordance with Law 4548/2018, as in force from time to time. More specifically, the Company is an Alternative Investment Fund (AIF) within the meaning of Law 4209/2013 and assigns overall management under Article 6(2b) of Law 4209/2013 exclusively to an external alternative investment fund manager who meets all the requirements laid down in Law 4209/2013.

The Company may cooperate with businesses pursuing similar objectives or engaged in general terms in the capital market sector, and may take holdings in such businesses, complying always with the provisions of legislation on investment portfolio companies and alternative investment funds.

**Share capital:** The Company's share capital stands at € 5,515,620.00 divided into 401,136 shares with a nominal value of € 13.75 each and has been paid up in full.

**Shares:** Shares in the Company are registered and have been traded on the Athens Stock Exchange since 19.12.2001.

**Management of the Company:** According to its Articles of Association, the Company is run by a Board of Directors comprised of between 5 and 11 members. The members of the Board of Directors were elected to the Ordinary General Meeting of shareholders in the company on 2.4.2018 and officially constituted the Board on the same day. Following that, the Extraordinary General Meeting of shareholders in the company on 10.9.2018 partially amended the decision of the Ordinary General Meeting of 2.4.2018 on election of the Board of Directors, only in relation to the independent members, and the Board of Directors officially re-constituted itself on the same day.

The Board of Directors had seven members and on 31.12.2020 the line-up was as follows:

<b>CHAIRMAN:</b>	Alexander Zagoreos, non-executive member
<b>VICE-CHAIRMAN:</b>	Phaedon-Theodoros Tamvakakis, non-executive member,
<b>Managing Director:</b>	Konstantinos Tzinieris, executive member
<b>DIRECTORS:</b>	Alexios Soutogiannis, independent non-executive director, Anastasios Adam, independent non-executive director, James Edward Jordan, independent non-executive director, Nikolaos Kyriazis, independent non-executive director

The term in office of the new Board of Directors is 3 years and will expire at the Ordinary General Meeting in 2021.

## Approval and Availability of Financial Statements

These financial statements and notes to the financial statements cover the period 1.1.2020 to 31.12.2020 and constitute an integral part hereof.

They were approved by the Company's Board of Directors on 18 March 2021 and have been published on the internet at [www.andromeda.eu](http://www.andromeda.eu).

Company Management is responsible for preparing the financial statements.

## 2 Summary of main accounting policies

### 2.1 Framework of preparation of the financial statements

These financial statements for the period 1.1.2020 to 31.12.2020 have been prepared on the basis of the historical cost convention as amended by the adjustment, financial assets at fair value through other comprehensive income (FVOCI), financial assets at fair value through profit and loss (FVPL) and financial assets and liabilities (including derivative financial assets) at fair value through profit and loss, the going concern principle and are in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and their interpretations and adopted by the European Union.

The financial statements have complied with the accounting policies used to prepare the financial statements for 2019 adjusted to take account of the revisions required by the IFRS. The company did not apply any international accounting standard early.

The Company's financial statements are prepared and published in Euro, which is the Company's functional currency and the currency of the country in which it is registered.

Company Management is responsible for preparing the financial statements in a way that gives an accurate and fair view of the financial condition, asset structure, results and cash flows.

No changes have been made to accounting estimates (e.g. useful life of assets) since there are no material reasons for such changes.

## **Going Concern**

The outbreak of the COVID-19 pandemic and the measures adopted by the government to mitigate its spread have significantly affected the economy.

Company Management:

- monitors measures taken by the government and examines the impact on its activities.
- closely monitors its liquidity position and is willing to take short-term measures, as and when necessary, in order to safeguard its interests and maintain key indicators at acceptable levels.
- monitors developments in financial markets to evaluate the impact on its clients' investment portfolios.

Overall, it is too early to assess how the COVID-19 pandemic will affect the sector in which the company operates and for how long. However, the company is monitoring developments and adjusting its activities accordingly to ensure effective and efficient management of this difficult situation. The Company continues to be able to function and has robust equity and satisfactory liquidity.

The Board, taking into account:

- the Company's financial status,
- the risks the Company faces which could have negative impacts on its business model and capital adequacy, and
- the fact that no major uncertainties have been identified in relation to the Company's ability to continue to operate as a "going concern" for the foreseeable future, and in all events for a period of at least 12 months from the date on which the Annual Financial Report was approved,

declares that it continues to consider the “going concern” basis as a suitable one for preparing the Company’s financial statements and that there are no major uncertainties about the Company’s ability to continue to apply this principle in the foreseeable future, and in all events for a period of at least 12 months from the date on which the Annual Financial Report was approved.

The Company’s effective term was set at 31.12.2022 by means of decision of the 1st Repeat Extraordinary General Meeting of Shareholders taken on 10.12.2018.

## **2.2 Adoption of new and revised international standards**

New standards, amendments to standards and interpretations have been issued and must be applied for annual accounting periods starting on or after 1.1.2020.

Where not otherwise stated, the amendments and interpretations which apply for the first time in 2020 have no impact on the Company’s financial statements. The Company did not engage in early adoption of standards, interpretations or amendments which have been issued by the IASB and adopted by the EU, which are not mandatorily applicable in the 2020 period.

### **Standards and interpretations mandatory for the 2020 accounting period**

#### **Amendments to References to the Conceptual Framework in IFRS Standards (issued on 29 March 2018)**

On 29.3.2018 the IASB issued a revised conceptual framework which redefines:

- the purpose of financial reporting
- the quality characteristics of financial statements
- the definitions of asset, liability, equity and income and expenses
- the recognition criteria and guidelines about the time at which assets and liabilities are to be deleted from financial statements
- the valuation bases and guidelines on how they should be used and
- concepts and guidance about presentation and disclosures.

The purpose of the revision of the conceptual framework is to assist in preparing financial statements, to develop consistent accounting policies for transactions and other events that do not fall within the scope of existing standards or when a standard enables accounting policies to be selected. In addition, the purpose of the revision is to help all parties understand and interpret the standards.



The IASB also published an accompanying document entitled "Amendments to references in the conceptual framework", which specified the amendments to the standards affected in order to update the references to the revised conceptual framework.

The amendment applies to authors who develop accounting policies under the conceptual framework for annual accounting periods beginning on or after 1.1.2020.

## **IAS 1 and IAS 8 (amendments) "Definition of material"**

On 31.10.2018 the IASB issued amendments to IAS 1 and IAS 8 as part of the disclosure initiative which clarify the definition of materiality and how it should be applied, including guidance which has been mentioned in other IFRSs so far. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of financial statements make on the basis of those financial statements. The amendments include examples of circumstances that may lead to the concealment of important information. The definition of material, which is an important accounting concept in the IFRS, helps companies decide whether the information should be included in their financial statements. The updated definition amends IAS 1 "Presentation of Financial Statements" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". The amendment ensures that the definition of material is consistent across all IFRS standards. The amendment is effective for periods beginning on or after 1.1.2020.

## **IFRS 9, IAS 39 and IFRS 7 (Amendment) "Interest Rate Benchmark Reform" Phase 1**

On 26.9.2019 the IASB adopted amendments to IFRS 9, IAS 39 and IFRS 7 in order to address the impact on financial reporting from the reform of benchmark rates in the period before replacing an existing benchmark rate with an alternative benchmark rate. The amendments provide temporary and limited exceptions to the hedge accounting requirements in IAS 39 "Financial Instruments: Recognition and measurement", and IFRS 9 "Financial Instruments" so that enterprises can continue to meet the requirements, assuming that the existing interest rate benchmarks do not change due to the reform of the interbank borrowing rate.

The exceptions concern the application of the following provisions:

The requirement for very high likelihood of performance in relation to cash flow hedges, evaluation of the economic relationship between the hedged item and the hedging instrument, designation of an item as a hedged item.

Effective for annual periods beginning on or after 1.1.2020.

## **IFRS 16 “Leases” (Amendment) “Covid-19-Related Rent Concessions”**

In response to the impacts of the COVID-19 pandemic, on 28 May 2020 the International Accounting Standards Board issued an amendment to IFRS 16 “Leases” to allow lessees not to account for rent reductions as a lease modification if it is a direct consequence of COVID-19 and specific conditions are met. This amendment does not affect lessors.

Effective for annual periods beginning on or after 1.6.2020. Early adoption is permitted, including interim or annual financial statements which had not been approved for publication on 28 May 2020.

### **Standards and interpretations mandatory for subsequent periods not previously applied by the Company and adopted by the EU:**

Unless otherwise stated the amendments below are not expected to have any significant effect on the Company's financial statements.

## **IFRS 9, IAS 39 and IFRS 7 (Amendment) “Interest Rate Benchmark Reform” Phase 2**

The International Accounting Standards Board (IASB) published “Interest Rate Benchmark Reform- Phase 2” with amendments that address issues that may affect financial reporting following the reform of an interest rate benchmark, including its replacement with alternative benchmark rates. These amendments apply to annual periods beginning on or after 1.1.2021 and earlier application is permitted.

### **Standards and interpretations mandatory for subsequent periods not previously applied by the Company and which have not been adopted by the EU:**

Unless otherwise stated the amendments below are not expected to have any significant effect on the Company's financial statements.

## **IAS 1 (Amendment) “Classification of Liabilities as Current or Non-current”**

This amendment only affects the presentation of liabilities in the statement of financial position. The amendment clarifies that the classification of liabilities should be based on existing rights at the end date of the reporting period. Moreover, the amendment made it clear that Management's expectations about events expected to occur after the balance sheet date should not be taken into account and clarified the cases in which a liability is settled.

Effective for annual periods beginning on or after 1.1.2022.

## **IAS 16 (Amendment) “Property, Plant and Equipment - Proceeds before intended use”**

The amendment changes the way in which the cost of operating tests on the asset are recorded and the net proceeds of sale from sales of assets generated during the process of bringing the asset to the specific location and condition necessary. Income and production costs for these products will be posted to the income statement instead of appearing as a reduction in the acquisition cost of the assets.

Effective for annual periods beginning on or after 1.1.2022.

## **IAS 37 (Amendment) “Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts — Cost of Fulfilling a Contract”**

The amendment specifies what costs an entity should include in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. The amendment clarifies that “the cost of fulfilling a contract” includes the directly correlated cost of fulfilling this contract and the allocation of other costs directly related to its implementation. The amendment also clarifies that, before recognising a separate provision for an onerous contract, an entity must recognise any impairment losses on the assets used to fulfil the contract, and not on assets dedicated only to the specific contract.

Effective for annual periods beginning on or after 1.1.2022.

## **Annual improvements to the International Financial Reporting Standards 2018-2020**

On 14.5.2020 the International Accounting Standards Board issued the annual improvements which contain the following amendments to the IFRS effective for annual accounting periods beginning on or after 1.1.2022:

### **IFRS 9 “Financial Instruments - Fees in the ‘10 per cent’ test for derecognition of financial liabilities”**

The amendment clarifies which fees an entity must include when applying the 10 per cent test in paragraph B.3.3.6 of IFRS 9 to determine whether it should derecognise a financial liability. The entity includes fees paid or received between the entity (borrower) and the creditor, including fees paid or received either by the entity or the creditor on behalf of another party.

## **IFRS 16 “Leases – Lease incentives”**

The amendment to Example 13 which accompanies IFRS 16 deletes from the example the presentation of compensation for improvements to the leased property by the lessor in order to prevent any confusion about how lease incentives which may arise from the way in which lease incentives are presented in the example.

## **IAS 41 “Agriculture - Taxation in fair value measurements”**

The amendment withdraws the requirement in paragraph 22 of IAS 41 that entities should not include cash flows from taxation when measuring biological assets using the present value technique. This amendment ensures consistency with the requirements of IFRS 13.

## **2.3 Use of estimates and assumptions**

Preparation of the financial statements in accordance with the IFRS requires the use of detailed accounting estimates and judgement when the Company applies its accounting policies. The most important of the assumptions made are based on the best possible knowledge of Company Management and are set out in the notes to the financial statements, whenever required. Despite the fact that these assessments are based on the best knowledge available to Management about current affairs and activities, the actual results may differ from those estimated.

Estimates and relevant assumptions are re-examined at regular intervals. Deviations in accounting estimates are recognised in the period in which they are re-examined if they relate only to the current period or if they relate to future periods, the deviations affect current and future periods.

## **2.4 Foreign currency**

Transactions in a foreign currency are converted into Euro using the fixing rate applicable on the date of the transaction, as it appears in the ECB Price Bulletin. On the reporting date of the financial statements, currency assets denominated in a foreign currency are converted to euro at the exchange rate which applies on that date. Foreign exchange differences which arise from conversion are presented in the income statement. Foreign exchange differences from non-currency assets valued at fair value.

## **2.5 Income and expenses -**

### **Recognition of income**

Portfolio income is recognised and posted to the income statement and primarily includes: a) dividends from shares listed on the Athens Exchange and on foreign exchanges, b) interest on time deposits, repos and other investments which have the features of time deposits and c) interest income from bonds or other investments similar to bonds.

Income from dividends is recognised as income on the date the dividends are paid. The results from the purchase/sale of securities are recognised and posted to the income statement and include gains or losses from the purchase/sale of securities (shares, bonds, mutual funds, results from derivatives, etc.) and the results from the valuation of securities at the end of each period to which the company's financial statements relate.

Other income/expenses includes foreign exchange differences (debit or credit) from transactions and/or valuation.

## **Recognition of Expenses**

Expenses are posted when incurred and can be divided into expenditure relating to:

- a) portfolio management (custodianship fees, management fees, commission and transaction costs, third party fees, etc.).
- b) administrative operations of the company (staff salaries and expenses, third party fees, rents, third party benefits, telecommunications, etc.).
- c) portfolio tax under Law 3371/2005 as in force today.

## **2.6 Portfolio tax**

Taxes deducted from the results for the period relate exclusively to current income tax. There are no deferred taxes since there are no interim differences between the book and tax basis of assets and liabilities due to the taxation regime for companies in the sector. Current income tax is calculated and paid every six months. The company is taxed based on Article 55 of Law 4646/2019 "on tax reform with a development dimension for the Greece of the future", which states that investment portfolio companies are obliged to pay tax at a rate of 10% of the current European Central Bank intervention rate (Benchmark Rate) augmented by 1% and calculated on the half-yearly average of their investments plus cash assets at current prices. Where the Benchmark Rate changes, the new basis for calculating tax applies from the first day of the month after the change. Tax is paid to the competent tax authority within the first 15 days of the months of July and January of the 6-month period after the calculation. Payment of this tax fulfils the tax obligations of both the company and its shareholders. The provisions of Law 4174/2013 (Government Gazette 170/A) apply by analogy to the tax owed under the provisions of this paragraph.

## **2.7 Financial assets**

The company's main financial assets are cash, short-term investments and short-term receivables and liabilities.

Company cash is placed in accordance with the provisions of the applicable legislation on portfolio investment companies.

Short-term investments include the company's portfolio, which the company's management classifies as "held for commercial purposes". The permitted investments comprising the Company's portfolio are set out in Article 30 of Codified Law 3371/2005, as currently in force.

In this case initial recognition is at fair value without any transaction expenses being imputed to it and subsequently is also valued at fair value and classified in the "Financial assets presented at fair value through profit and loss" account as specified in the IFRS

9.

For securities traded on active markets (exchanges) (e.g. shares, bonds, derivatives) the values published on the reporting date for preparation of the financial statements are taken as the fair value.

Use of derivative financial instruments is subject to the terms, conditions and restrictions laid down in decisions of the Hellenic Capital Market Commission.

As regards other financial instruments (liabilities or receivables), the Company's management team, taking into account their short-term nature decided that their fair value matches with the value at which they are presented in the accounting books.

Commitments on short-term investments are referred to separately in the financial statements.

## **2.8 Tangible assets**

Fixed assets are presented in the financial statements at acquisition cost, less accumulated depreciation.

Expenses incurred to replace major fittings and fixtures are capitalised. Other subsequent expenses incurred in relation to assets are capitalised only where they increase future economic benefits expected to arise from use of the assets affected. All other maintenance, repair and other expenses for assets are posted to the income statement as expenses at the time they are incurred.

Depreciation is presented in the income statement using the fixed line method over the entire useful life of the fixed asset.

The Company does not have tangible assets.

## **2.9 Short-term receivables**

Company receivables are short-term and consequently there is no need to discount them at present value. Receivables from securities firms include unsettled sales of the company's financial assets less expected credit losses (note 2.18).

The amount of expected credit losses is posted as an expense to the results for the period. On the balance sheet date no provision for this point was formed.

## **2.10 Cash and cash equivalents**

Cash includes cash in the Company's treasury and cash equivalents such as repos, sight and short-term time deposits in euro and in a foreign currency realisable at a known amount and consequently are at negligible risk of a change in their value.

Time deposits are valued at fair value which is the initial investment plus accrued interest, free of tax, on the financial statement reporting date.

On the date the financial statements were prepared, monetary assets denominated in foreign currencies are converted to euro at the fixing rate which applies on that date (as shown in the ECB price bulletin). Foreign exchange differences which arise from conversion are presented in the income statement.

## **2.11 Share capital**

Ordinary shares are classed as equity. Direct expenses for issuing shares are presented as reducing equity. Share capital increases involving cash payments include all share premiums at the time the share capital is initially issued. The price paid which is above the nominal value of each share is entered in the share premium account.

## **2.12 Own shares**

If the Company acquires its "own shares" in accordance with a decision of the General Meeting, they must be deducted from its equity. Upon the purchase, sale, issuance or cancellation of the company's own equity instruments, no profit or loss is recognised in the income statement.

## **2.13 Dividends**

Dividends payable are presented as a liability after approval by the General Meeting of Shareholders based on the provisions of the applicable legislation and the Articles of Association.

## **2.14 Provisions**

Provisions are recorded when the company has a legal or presumed obligation as a result of past events and it is likely that an outflow of resources will be needed to settle the liability.

## **2.15 Liabilities**

All company liabilities are shown in the balance sheet at fair value. Liabilities to securities firms include unsettled purchases of the company's financial assets. These liabilities are presented as their accounting balances because it is not considered necessary to discount them at present value due to their short-term nature. Moreover, other current liabilities which relate to liabilities incurred or in the form of provisions such as management fees, portfolio performance fees, custodian expenses, suppliers, etc. do not need to be discounted due to their short-term nature.

## **2.16 Operating Segments**

An operating segment is a constitutive part of an economic entity:

- a) which includes business activities which generate income and entail expenses (including income and expenses relating to transactions with other constitutive parts of the same economic entity).
- b) whose results are examined regularly by the entity's decision-maker to take decisions about the allocation of resources to the segment and to assess its performance.
- c) for which separate financial information is available.

The company operates exclusively in a single business sector, namely managing a Greek and foreign securities portfolio and other financial instruments in accordance with the provisions of Codified Law 3371/2005. Its purpose is to generate revenues and ensure capital appreciation over the medium-term.

## **2.17 Related parties**

The purpose of IAS 24 is to ensure that the financial statements of an economic entity contain the disclosures required to draw attention to the possibility that its financial position and profit or loss may have been affected by the existence of related parties and by transactions and outstanding balances, including commitments, relating to those related parties. The company is not associated with an economic entity which prepares financial statements.

## **2.18 Financial Instruments**

IFRS 9 lays down the conditions for recognising and measuring financial assets, financial liabilities and certain contracts for the purchase or sale of non-financial assets.

### ***i. Classification and valuation of financial assets and financial liabilities.***



According to IFRS 9, a financial asset can be measured in the following categories:

- a) at amortised cost.
- b) at fair value through other comprehensive income (FVOCI) or
- c) at fair value through profit and loss (FVPL).

The classification of financial assets under IFRS 9 is generally based on the business model under which a financial asset is managed and the characteristics of its contractual cash flows. Derivatives embedded in contracts where the object is a financial asset from the viewpoint of the standard are never separated. On the contrary, the entire hybrid financial instrument is examined for classification purposes.

**A)** A financial asset is valued at amortised cost if it meets both the following conditions and is not designated as being valued at fair value through profit and loss:

- It is held based on a business model whose objective is to hold contractual cash flows to be collected and
- The contractual terms provide for cash flows on specific dates which are solely payments of principal and interest on the principal outstanding.

**B)** An investment in securities is valued at fair value through other comprehensive income if it meets both the following conditions and is not designated as being valued at fair value through profit and loss:

- It is held based on a business model whose object is both the inflow of contractual cash flows and the sale of financial assets.
- The contractual terms provide for cash flows on specific dates which are solely payments of principal and interest on the principal outstanding.

**C)** Upon initial recognition of an investment in equity instruments not available for sale, the company can irrevocably opt to present subsequent changes in the fair value of the investment in other comprehensive income.

**D)** All financial assets not classified as valued at amortised cost or at fair value through other comprehensive income, as specified above, are valued at fair value through profit and loss. This includes all derivative financial instruments.

Upon initial recognition, the company can irrevocably designate a financial asset which in all other respects meets the conditions for being valued at amortised cost or at fair value through other comprehensive income as an asset to be measured at fair value through profit and loss if this avoids or significantly reduces an accounting discrepancy that could arise.

A financial asset (unless it is a trade receivable without a significant financial part initially measured at the transaction price) is initially valued at fair value plus transaction costs directly associated with the acquisition, in the case of assets not measured at fair value through profit and loss.

<b>Financial assets valued at amortised cost</b>	These assets are valued at amortised cost using the effective interest rate method. amortised cost is reduced by the amount of impairment losses. Income from interest, credit and debit foreign exchange differences and impairment losses are recognised in the income statement. Any gain or loss arising from derecognition is recognised in the results.
<b>Investments in securities at fair value through other comprehensive income</b>	These assets are valued at fair value. Income from interest is calculated using the effective interest rate method, credit and debit foreign exchange differences and asset impairment losses are recognised in the income statement. Other net profits and losses are recognised as other comprehensive income. Upon derecognition, gains and losses accumulated in other comprehensive income are reclassified in the results.
<b>Investments in equity instruments measured at fair value through other comprehensive income</b>	These assets are valued at fair value. Dividends are recognised as income in the income statement unless the dividend clearly reflects recovery of part of the investment cost. Other net profits and losses are recognised as other comprehensive income and are never reclassified in the results.
<b>Financial assets valued at fair value through profit or loss</b>	These assets are valued at fair value. The net benefit or loss, including interest or dividend income, is recognised in profit or loss.

## **ii. Impairment of financial assets**

Financial assets at amortised cost consist of trade receivables, cash and cash equivalents and corporate securities.

According to IFRS 9, loss provisions are valued on any of the following bases:

- 12-month expected credit losses: These arise from possible credit events within 12 months from the reporting date and
- Expected lifetime credit losses: These are the result of possible credit events during the expected life of the financial instrument.

The company values the loss provisions at an amount equal to lifetime expected credit losses apart from the following, which are valued as 12-month expected credit losses:

- Securities designed to have low credit risk on the reporting date and
- Other securities and bank balances for which the credit risk (e.g. the risk of default arising during the expected life of the financial instrument) has not increased significantly since initial recognition.

The company has opted to value the loss provisions for trade receivables and contracts at an amount equal to lifetime expected credit losses.

When the credit risk of a financial instrument has increased significantly since initial recognition and when expected credit losses are estimated, the company collects valuable information which is relevant and available without excessive cost or effort. This includes both quantitative and qualitative information and analysis, based on the company's historical experience and knowledge-based risk assessment and including information for the future.

The company assumes that the credit risk of a financial instrument has increased significantly if it is 90 days since the date of payment.

When the credit risk for a financial instrument has increased significantly, the company must take into account the change in default risk after initial recognition.

For the purposes of determining risk of default, the company applies a definition of default which is consistent with the definition used for the purposes of internal management of credit risk for the relevant financial instrument and takes into account qualitative indicators, where applicable.

The company considers that there is default no later than 30 days after a financial instrument is in arrears, unless the company has reasonable and well-founded information which shows that a longer period of arrears is appropriate before applying the default criterion.

To evaluate the credit risk, portfolio allocation for each credit rating obtained through Bloomberg is used; this results from compositing the credit ratings provided by the four major credit rating firms (S&P, Moody's, Fitch and DBRS). If the result falls between two credit ratings, the lower one is used.

The maximum period used to estimate expected credit losses is the maximum period for which the company is exposed to credit risk under contract.

## **Measurement of expected credit losses**

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are calculated as the present value of all cash differences (e.g. the difference between cash flows owed to the entity under contract and cash flows which the company expects to receive).

Expected credit losses are discounted at the effective interest rate for the financial instrument.

In order to measure expected credit loss, trade receivables have been grouped based on credit risk features and default times.

## **Credit risk financial assets**

In each reporting period, the company examines to what extent financial instruments measured at amortised cost and securities at fair value through other comprehensive income are risky from a credit viewpoint. A financial instrument is a 'credit risk' when one or more events which have a detrimental effect on the estimated future cash flows of the financial instrument have occurred.

## **Presentation of bad debt**

Provisions for losses for financial instruments valued at amortised cost are deducted from the balance of the value of assets.

Bad debt losses related to trade and other receivables, including contracts, are presented separately in the statement of income and other comprehensive income.

Bad debt losses related to other financial instruments are presented in "financial costs" and not separately in the statement of income and other income for materiality reasons.

## **2.19 Leases**

On 1.1.2019 the Company adopted IFRS 16 applying the amended retrospective approach. In this approach, the company recognised a liability that was measured at its present value, based on discounting of the remaining lease payments at the incremental borrowing cost that applied at the date of initial application of the Standard, i.e. on 1.1.2019. The incremental borrowing rate is the interest rate at which the company would borrow that amount, securing the financial benefits in the form of net cash flows arising from use of the property and the means of transport. Furthermore, it recognises a right-of-use asset by measuring that right at an amount equal to the corresponding liability that was recognised, adjusted for any lease advances existing before the date of first application.

The comparative information was not reformulated and there was no impact of the application of the new standard to equity when it was first implemented, namely on 1.1.2019.

Furthermore, the company applied the exception provided by the Standard regarding the determination of leases and, more specifically, the applicable practice under IFRS 16, according to which it does not need to reassess whether a contract is or contains a lease on the date of the first transition. This means that IFRS 16 was applied to contracts that had already been recognised as leases under IAS 17 "Leases" and IFRIC 4 "Determining whether an arrangement contains a lease".

The company also used the exceptions in the standard pertaining to short-term leases and low value fixed asset leases. As far as the discount rate is concerned, the company decided to apply a single discount rate to each category of leases with similar features depending on the remaining duration of each lease.

The adoption of IFRS 16 had the following significant effects on the company:

- The company had operating leases relating to buildings. The Standard affected how the company accounted for operating leases. More specifically, when IFRS 16 was adopted, liabilities deriving from operating leases which under IAS 17 had to be disclosed in the notes to the financial statements were presented as right-of-use assets and lease liabilities in the statement of financial position. The increase in lease liabilities led to a corresponding increase in the company's net borrowing.
- The nature of the expenses associated with these leases has changed, since the application of IFRS 16 replaces the operating cost of the lease with depreciation for assets relating to the right-of-use and interest expenses on the liabilities arising therefrom. This has led to an improvement in the "Operating profits before financing and investing activities, amortisation and impairment".
- There was no impact on the statement of equity when the standard was first applied since the company opted to recognise a liability of equal value to the right-of-use.
- In the Statement of Cash Flows, the part referring to lease payments will reduce cash flows from financing activities and it is no longer included in net cash flows from operating activities. Only interest payments remain included in the net cash flows from operating activities.

IFRS 16 has not brought about major changes in how lessors account for leases. The company has not concluded leases as a lessor.

## **Recognition and Initial Measurement of Right-of-Use Assets**

On the start date of each lease, the company recognises a right-of-use asset and a lease liability by measuring the right-of-use asset at cost.

The cost of the right-of-use asset includes:

- The amount of initial measurement of the lease liability (see below);
- Any rents payments effected before or after the start date of the lease, less any lease incentives collected;
- The initial direct costs borne by the lessee; and
- An estimate of the costs to be incurred by the company for: disassembly and removal of the leased asset; restoration of the space where the leased asset is located or restoration of the leased asset, as per the terms and conditions of the lease agreement.

The company assumes responsibility for these costs either at the start date of the term of the lease or as a result of the use of the leased asset over a specific period of time.

## **Initial Measurement of the Lease Liability**

On the start date of the lease the company measures the lease liability at the present value of the lease payments outstanding for payment as at that date. If it is possible to determine the implicit interest rate of the lease, then lease payments will be discounted based on such rate. If not, the company's marginal borrowing rate applies.

On the start date of the lease, any lease payments included in the measurement of the lease liability include the following payments in relation to the right-of-use asset during the term of lease, provided that no payments were effected by the start date of the lease:

- (a) Fixed payments, less any lease incentives receivable;
- (b) Any variable lease payments tied to an index or a rate, which are initially measured based on the value of the respective index or rate on the start date of the lease;
- (c) Amounts expected to be payable by the company under residual value guarantees;
- (d) The exercise price of a purchase option, if the company is reasonably certain to exercise that option; and
- (e) Payments of penalties for terminating the lease, if the lease term reflects the company exercising the option to terminate the lease.

## **Subsequent measurement**

### **Subsequent Measurement of Right-of-Use Assets**

After the start date of the term of lease, the company measures right-of-use assets based on the cost model.

The company measures right-of-use assets at cost:

- (a) Less accumulated amortisation and accumulated impairment losses; and
- (b) Adjusted for any subsequent measurement of the lease liability.

The company applies the requirements of IAS 16 regarding depreciation of the right-of-use asset, which is examined to identify any impairment.

## **Subsequent Measurement of the Lease Liability**

After the start date of the lease, the company measures the lease liability as follows:

- (a) By increasing the book value to reflect the financial cost of the lease liability;
- (b) By reducing the book value to reflect lease payments already effected; and
- (c) Remeasuring the book value to reflect any revaluation or amendment of the lease.

The financial cost of a lease liability is allocated over the term of the lease in such a manner as to derive a constant periodic rate of return on the outstanding balance of the liability.

After the start date of the lease, the company recognises both of the following items in loss or profit (unless the costs are included in the book value of another asset under another Standard):

- (a) Financial cost on the lease liability, and
- (b) Variable lease payments that are not included in the measurement of the lease liability are recognised in profit or loss in the period in which the event or condition that triggers payment occurs.

## **3 Financial risk management**

Management of the Company's portfolio and risk management (investment management) in accordance with the decision of its Board of Directors dated 22.2.2018 has been assigned under the Alternative Investment Fund Management Agreement to Alpha Trust MUTUAL FUND AND ALTERNATIVE INVESTMENT FUND MANAGEMENT CO. S.A. which implements the investment policy which has been laid down.

The Board of Directors has also appointed an Investments Committee, which has an exclusively consultative nature, for the Company's investment matters.

To limit and control investment portfolio risks, the Company's Board of Directors awarded risk management to the Manager under contract, who uses portfolio risk monitoring systems that are suitable for the risk profile of the Company's portfolio to ensure that all the key risks are measured precisely.

The Company opts for a suitable methodology based on the current legislative framework to calculate overall risk exposure for the portfolio it manages. This is defined as the relative value-at-risk method.

In accordance with Article 15 of the relevant decision, the relative value-at-risk model selected takes into account at least general market risk and idiosyncratic risk, on a case-by-case basis.

Other risks to which each portfolio of the Company is exposed are taken into account in the context of the stress tests that are run. In addition to that, the degree to which the Company's portfolio is exposed to the following risks is also weighed up:

The Company holds financial products in its investment portfolio based on the investment strategy it has developed and the restrictions laid down in Codified Law 3371/2005 as in force today, which sets the investment limits and type of investments that can be made by portfolio investment companies. The investment portfolio includes domestic shares and Greek government bonds. The portfolio per investment category can be broken down as follows:

	<b>31/12/2020</b>	<b>31/12/2019</b>
Shares listed on ATHEX*	12,250,187.82	11,771,795.59
Non-Listed Shares	0.01	0.01
Bonds**	264,972.47	223,752.39
Cash and cash equivalents and other assets and liabilities***	177,420.84	420,681.39
<b>Total</b>	<b>12,692,581.14</b>	<b>12,416,229.74</b>

\* Shares listed on ATHEX also include own shares held by the company.

\*\* Including the value of accrued interest.

\*\*\* Cash and cash equivalents and other assets and liabilities relate to receivables and cash less liabilities and can be broken down as follows:

	<b>31/12/2020</b>	<b>31/12/2019</b>
Deposits with Greek banks	682,850.36	1,555,367.28
Deposits with foreign banks	700.00	0.00
Cash on hand	366.42	539.02
Receivables - Liabilities	-200,648.04	-134,820.29
Variable overperformance fee	-305,847.90	-1,000,404.62
<b>Total cash and cash equivalents</b>	<b>177,420.84</b>	<b>420,681.39</b>

## 3.1 Market risk

Market risk refers to the possibility of loss due to changes in the current prices of shares, interest rates, exchange rates etc.

In order to limit this risk, the Company chooses the companies in which it invests based on qualitative and economic criteria. The Company does not invest more than 20% of its equity in securities of the same issuer.



## Basic Allocation of Portfolio

	31/12/2020	31/12/2019
<b>Shares</b>	96.51%	94.81%
<b>Bonds</b>	2.09%	1.80%

## Currency risk

The impact of the change in exchange rates for various currencies does not materially affect the Company's results because almost all assets are invested in euro (€).

## Currency Allocation of Portfolio

	12/2020	12/2019
Euro	100%	100%
	<b>100%</b>	<b>100%</b>

## Interest Rate Risk

Interest rate risk arises from changes in interest rate markets. Fluctuations in interest rates greatly affect the present value of expected cash flows from an investment or a liability.

The table below shows the Company's exposure to interest rate risk by including the book balances of assets and liabilities classified at either the interest rate adjustment date or the maturity date, whichever is earliest.

### 31/12/2020

	<u>Up to 1 month</u>	<u>From 1 month to 3 months</u>	<u>From 3 months to 1 year</u>	<u>Total</u>
<b><u>ASSETS</u></b>				
Cash and cash equivalents*	177,420.84	-	-	<b>177,420.84</b>
Financial assets at fair value	-	-	-	-
Financial assets in guarantees	-	-	-	-
<i>Total assets</i>	<i>177,420.84</i>	-	-	<i><b>177,420.84</b></i>
Liabilities	-	-	-	-
<b>Interest Sensitivity Gap</b>	<b>177,420.84</b>	-	-	<b>177,420.84</b>

\* Cash and cash equivalents include cash less liabilities.

31/12/2019

	<u>Up to 1 month</u>	<u>From 1 month to 3 months</u>	<u>From 3 months to 1 year</u>	<u>Total</u>
<b>ASSETS</b>				
Cash and cash equivalents*	420,681.39	-	-	420,681.39
Financial assets at fair value	-			-
Financial assets in guarantees	-	-	-	-
<i>Total assets</i>	420,681.39	-	-	420,681.39
Liabilities	-	-	-	-
<b>Interest Sensitivity Gap</b>	<b>420,681.39</b>	-	-	<b>420,681.39</b>

\* Cash and cash equivalents include cash less liabilities.

## Value at Risk (VaR)

The Company ensures that the method of calculation of the global risk exposure is adequate, precise and reliable. To this end, the Historical VaR methodology has been chosen and VaR is calculated on a daily basis using the **Systemic SA** system. The relative value-at-risk approach is applied to the Company's portfolio and its benchmark index on a daily basis, taking into account the following parameters:

- confidence interval of ninety-nine percent (99%);
- a period of observations of risk factors of 1 year (250 working days) from the calculation date;
- an investment horizon of one (1) month (20 working days);
- the relative value-at-risk measure of the portfolio expressed as a percentage of the current value of the portfolio (as in the case of the benchmark portfolio).
- checking that the portfolio's Value-at-Risk is not more than twice the Value-at-Risk of the benchmark portfolio, in order to ensure that the Company's total leverage ratio remains does not go over 2.

The daily VaR for the portfolio and benchmark rate for **the second half of 2020** and **the second half of 2019** is presented in the tables below:

## 2nd half of 2020

market risk	Average value	Highest Value	Lowest Value
daily change in portfolio %	0.221%	5.237%	-3.825%
Portfolio value	-7.633%	-8.401%	-7.073%
Benchmark Value-at-Risk	-11.410%	-11.410%	-11.410%
Portfolio VaR to Benchmark VaR	66.896%	73.628%	61.988%

## 2nd half of 2019

market risk	Average value	Highest Value	Lowest Value
daily change in portfolio %	0.03%	2.01%	-2.93%
Portfolio value	-10.96%	-9.68%	-13.40%
Benchmark Value-at-Risk	-16.41%	-14.23%	-17.31%
Portfolio VaR to Benchmark VaR	66.78%	77.42%	59.07%

The above methodology for measuring market risk includes not only the sensitivity of portfolio performance to major market risks (equity, interest rate, currency) to which the portfolio is exposed, but also the correlations among them. Therefore it is considered to provide a better and more realistic assessment of the overall market risk faced by the portfolio.

The Company also uses **back testing**, which compares the Relative-Value-at-Risk measurements calculated using the daily changes in the value of the Company's portfolio at the end of the previous working day. **At the end of the second half of 2020, there were six exceedances, all during the period of high fluctuations in the first wave of the pandemic (21/2/2020 – 13/3/2020).**

Additionally, the Company implements a system of **stress testing**, based on strict and sufficient criteria for risk calculation. These tests are performed monthly, using the portfolio line-up, as it stood on the last working day of the previous month, and focus on the risks that may arise in specific extreme historical scenarios or conditions of unusual change, such as conditions of lack of liquidity or where there is a credit incident in the markets the company's portfolio invests in. Stress testing focuses on risks not fully covered by the relative VaR method.

With respect to fixed income securities, we assess the sensitivity of bond prices to a marginal change in the level of interest rates through "modified duration". Placements in fixed yield securities at the end of the **second half of 2020** are shown below:

**31/12/2020**

Name of security	Type of security	Value in €	% holding	Modified Duration
TPEIR 9.75% 26/6/2029	FIX	186,193.84	1.47%	2.82
TPEIR 5.50 19/2/2030	FIX	78,778.63	0.62%	3.22
		<b>264,972.47</b>	<b>2.09%</b>	

while the bond placements at the end of the second half of 2019 were as follows:

**31/12/2019**

Name of security	Type of security	Value in €	% holding	Modified Duration
TPEIR 9.75% 26/6/2029	FIX	223,752.39	1.80%	3.41
		<b>223,752.39</b>	<b>1.80%</b>	

## 3.2 Credit risk

Credit risk refers to cases of default by counterparties in meeting their obligations. This category mainly includes government and corporate bonds, repurchase bonds (repos), receivables from counterparty brokers and cash in banks.

To evaluate the credit risk, portfolio allocation for each credit rating obtained through Bloomberg is used; this results from compositing the credit ratings provided by the four major credit rating firms (S&P, Moody's, Fitch and DBRS). If the result falls between two credit ratings, the lower one is used.

The Company's portfolio on **31.12.2020** contains investments in fixed yield securities (corporate / government bonds) and does not contain bond repurchase agreements:

Credit risk		12/2020
Credit rating	Value	% holding in portfolio
Caa3	264,972.47	2.09%
	<b>264,972.47</b>	<b>2.09%</b>

The corresponding picture at the end of 2019 was:

Credit risk		12/2019
Credit rating	Value	% holding in portfolio
Caa3	223,752.39	1.80%
	<b>223,752.39</b>	<b>1.80%</b>

### Receivables from Brokers

Receivables from Brokers relate primarily to sales of securities in the last three days, margin accounts and guarantees.

The credit risk of these receivables is considered low due to the limited time frame for their clearance and the recovery from the counterparties.

### Cash in hand

The Company has deposits in banks whose credit rating can be broken down as follows:

	12/2020	12/2019
Optima Bank	N/A	-
Alpha Bank		B
Societe Generale Bank and Trust	A-	-
Piraeus Bank	B-	B-

Source: Eikon, S&P Long Term Issuer (Domestic)

## Derivatives

During the year the Company used derivative financial products to generate profits in the summer of 2020 when markets were rising.

### 3.3 Liquidity risk

Liquidity risk is the risk of default on financial obligations when they become due, because of lack of the necessary liquidity. Liquidity risk relates to the degree to which an investment position or part of a portfolio can be liquidated. (as a percentage of the total value and the time required to fully liquidate the portfolio).

According to this, for a given portfolio composition, the percentage that can be liquidated per day and the length of time required for complete portfolio liquidation is assessed based on the marketability of its individual positions (source: Bloomberg). For the purposes of a conservative approach, it is considered that the liquidation ceiling is a share volume not exceeding one third of the average daily transactions in the previous quarter; placements in cash, time deposits and money market funds are considered as highly liquid (the value of shares includes the value of own shares):.

Taking into account the line-up of the portfolio on **31.12.2020** and **31.12.2019**, these estimates are as follows:

Option to fully liquidate position (days)	12/2020		12/2019	
	Value	% holding in Portfolio	Value	% holding in Portfolio
1 day	3,146,495.00	24.21 %	2,899,507.44	23.35%
2 days	299,440.00	2.30 %	344,274.24	2.77%
3 days	0.00	0.00 %	307,572.00	2.48%
4 days	858,200.40	6.60 %	407,685.48	3.28%
5– 10 days	944,468.38	7.27 %	1,225,961.60	9.87%
10 – 20 days	1,368,955.25	10.53 %	610,015.52	4.91%
20 – 30 days	166,603.50	1.28 %	768,657.17	6.19%
> 30 days	5,466,025.29	42.05 %	5,208,122.14	41.95%
	<b>12,250,187.82</b>	<b>94.25 %</b>	<b>11,771,795.59</b>	<b>94.81%</b>

\* Shares listed on ATHEX also include own shares held by the company.

Based on the table of investments at the end of **2020**, the portfolio's balance is placed in **cash assets** which are considered to be directly realisable, while there is also a balance in **bonds** for which there is no data on equity instruments which can be used to calculate liquidity.

## 3.4 Operational Risk

Operational risk is the risk associated with the potential of direct or indirect losses caused by a range of factors relating to the Company's internal processes, information systems and infrastructure and external factors, such as various providers, the institutional framework and generally accepted standards of investment management behaviour.

The Company aims to manage operational risk so as to limit the potential damage to its reputation and to achieve the goals set for its shareholders. The overall responsibility for the development and implementation of the necessary procedures for the smooth conduct of the Company's activities lies with the Board of Directors.

Management of the Company's portfolio, risk management and administration services within the meaning of Article 6 of Law 4209/2013 have been assigned to ALPHA TRUST Mutual Fund and Alternative Investment Fund Management Co. S.A. by decision of its Board of Directors dated 22.2.2018 under an Alternative Investment Fund Management Agreement. Both companies are supervised by the Hellenic Capital Market Commission.

Additionally, it should be noted that:

- a) The above agreement is regularly renewed on an annual basis and approved each time by the Ordinary General Meeting of Shareholders.
- b) By law, all securities and assets are held by an independent depository, who also signs the portfolio investment tables published and made available to the investing public.
- c) The internal auditor collaborates with and monitors the functioning of the various activities assigned to ALPHA TRUST Mutual Fund and Alternative Investment Fund Management Co. S.A. and discourages and minimises the likelihood of issues that can cause problems in the operation of the Company arising.
- d) The Company's Managing Director monitors the implementation of these agreements daily and directly addresses any operational issues that may arise.

**Counterparty Risk:** To assess this risk, the daily receivables/liabilities relating to the counter-party, namely the Depository, are presented, given that all transactions are entered into on regulated markets. In the event that they enter into transactions for financial instruments that are not traded on a regulated market, the risk per counterparty is calculated based on the Value-at-Risk approach, where the counterparty fails to fulfil their obligations.

**Risk due to COVID-19:** The COVID-19 pandemic has affected business and economic activity around the world, including Greece. Given the spread of the pandemic, it is difficult to predict the range of possible impacts on the global economy at this point. The results may range from successful virus containment and small short-term impacts, to a prolonged impact which could lead to a possible recession.

In addition, governments and the European Central Bank have taken political and fiscal measures which seek to mitigate possible negative economic repercussions.

As far as Company activities are concerned, Management is closely monitoring developments relating to the pandemic, is following guidance from local healthcare authorities and complying with the requirements and measures implemented by the Greek Government. The Company has implemented contingency plans to limit possible negative impacts on associates of the Company.

## **3.5 Financial Instruments**

### **i. Fair value of financial instruments**

IFRS 13 “Fair Value Measurement” describes the fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value measurement relates to a specific asset or liability. Consequently, when measuring fair value, the company takes into account the characteristics of the asset or liability if market participants would take those features into account when pricing the asset or liability on the measurement date.

### **ii. Fair value hierarchy**

To increase the consistency and comparability of fair value measurements and related disclosures, IFRS 13 sets a fair value hierarchy which categorises inputs in valuation techniques used to measure fair value on three levels.

**Level 1:** Level 1 inputs are official stock exchange prices (without adjustment) in markets for identical assets or liabilities to which the company has access on the measurement date. An official stock exchange price in an active market provides the most reliable evidence of fair value and is used without adjustment to measure fair value whenever available.

The company values the shares based on the official stock exchange prices traded on the Athens Exchange, while Bloomberg (Bloomberg Generic Prices) is used as a source for government bonds and compared to the Electronic Secondary Securities Market System (ESSMS) prices.

**Level 2:** Level 2 inputs are inputs beyond the official stock exchange prices included at Level 1 which are observable for the asset or liability either directly or indirectly. If the asset or liability has a fixed (contractual) term, a Level 2 input must be observable for essentially the full life of the asset or liability.

The company values shares not listed on regulated markets based on the expected present value technique, which uses as a starting point a set of cash flows representing the probability-weighted average of all possible future cash flows (expected cash flows).

**Level 3:** Level 3 inputs are non-observable inputs for the asset or liability. Non-observable inputs are used to measure fair value to the extent that there are no observable inputs available, which covers situations where there is little or no activity in the market for the asset or liability at the measurement date. However, the objective of measuring fair value remains the same, namely an exit price on the measurement date from the perspective of a market participant who holds the asset or owes the liability.

### iii. Transfers between levels

There were no transfers between levels and no transfers in any direction during the year which ended on 31 December 2020.

The table below shows the book value and fair values of financial assets and financial liabilities including their levels in the fair value hierarchy. It does not include information about fair value for financial assets and financial liabilities not measured at fair value if the book value is a reasonable approximation of fair value.

Trade and other receivables, cash and cash equivalents and trade liabilities valued at amortised cost are not included in the fair value hierarchy table below. Their fair value does not materially differ from their book value since the majority have a maturity date of less than one month.

31/12/2020	Book Value					Fair value		
	Fair value through profit and loss (FVPL)	Fair value through other comprehensive income (FVOCI)	Financial assets valued at amortised cost	Financial liabilities at amortised cost	Total book value	Level 1	Level 2	Level 3
<b>Financial assets valued at fair value through profit and loss</b>								
Equity instruments	12,100,296.38				12,100,296.38	12,100,296.37	0.01	
Treasury bonds	250,180.00				250,180.00	250,180.00		
	12,350,476.38	0.00	0.00	0.00	12,350,476.38	12,350,476.37	0.01	0.00
<b>Financial assets not valued at fair value through profit and loss</b>								
Trade and other receivables			0.00		0.00			
Cash and cash equivalents			683,916.78		683,916.78			
	0.00	0.00	683,916.78	0.00	683,916.78	0.00	0.00	0.00
<b>Financial liabilities valued at fair value</b>								
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Financial liabilities not valued at fair value</b>								
Secured bond loans					0.00			
Unsecured bank loans					0.00			
Trade payables				369,494.66	369,494.66			
	0.00	0.00	0.00	369,494.66	369,494.66	0.00	0.00	0.00



31/12/2019	Book Value					Fair value		
	Fair value through profit and loss (FVPL)	Fair value through other comprehensive income (FVOCI)	Financial assets valued at amortised cost	Financial liabilities at amortised cost	Total book value	Level 1	Level 2	Level 3
<b>Financial assets valued at fair value through profit and loss</b>								
Equity instruments	11,755,367.97				11,755,367.97	11,755,367.96	0.01	
Treasury bonds	213,736.00				213,736.00	213,736.00		
	11,969,103.97	0.00	0.00	0.00	11,969,103.97	11,969,103.96	0.01	0.00
<b>Financial assets not valued at fair value through profit and loss</b>								
Trade and other receivables			58,270.62		58,270.62			
Cash and cash equivalents			1,555,905.08		1,555,905.08			
	0.00	0.00	1,614,175.70	0.00	1,614,175.70	0.00	0.00	0.00
<b>Financial liabilities valued at fair value</b>					0.00			
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Financial liabilities not valued at fair value</b>					0.00			
Trade payables				1,064,022.90	1,064,022.90			
	0.00	0.00	0.00	1,064,022.90	1,064,022.90	0.00	0.00	0.00

## 4 Gross portfolio management income

	<b>1/1- 31/12/2020</b>	<b>1/1- 31/12/2019</b>
Returns on portfolio	308,065.40	181,282.04
Profits /(losses) from valuation of securities	2,302,891.52	2,392,247.40
Profits/(losses) from sale of securities	-877,997.30	1,425,470.14
<b>Total portfolio management income</b>	<b>1,732,959.62</b>	<b>3,998,999.58</b>

Portfolio income include dividends from shares listed on the exchange, interest from deposits and bonds which have been collected and interest which is payable, over time, using the effective interest rate, which can be broken down as follows:

	<b>1/1- 31/12/2020</b>	<b>1/1- 31/12/2019</b>
Dividends from shares	282,673.46	167,942.04
Interest from deposits	1,115.86	538.68
Interest from bonds	24,276.08	12,801.32
<b>Total portfolio revenues</b>	<b>308,065.40</b>	<b>181,282.04</b>

Income from the purchase/sale of securities is recognised and posted to the "Financial instruments at fair value through profit and loss" account at the end of each period to which the company's financial statements refer and includes profits from the purchase/sale of securities (shares, bonds, mutual funds, results from derivatives, etc.) and the results from the valuation of securities.

The "Profit/(Loss) from the purchase/sale of securities" account includes the following:

	1/1- 31/12/2020	1/1- 31/12/2019
Profits/(losses) from purchases/sales of shares	-886,738.42	1,427,314.14
Profits/(losses) from valuation of derivatives	8,741.12	0.00
Profits/(losses) from purchases/sales of bonds	0.00	-1,844.00
<b>Total profits/(losses) from the purchase/sale of securities</b>	<b>-877,997.30</b>	<b>1,425,470.14</b>

## 5 Portfolio Management Cost

The "Portfolio management cost" account can be broken down as follows:

	1/1- 31/12/2020	1/1- 31/12/2019
Success fee	305,847.90	1,000,404.60
Management fees	198,265.44	233,257.77
Other third party fees	11,532.04	13,093.81
Taxes & Duties	13,135.13	15,805.18
Miscellaneous Expenses	25,277.17	28,388.64
<b>Total portfolio management cost</b>	<b>554,057.68</b>	<b>1,290,950.00</b>

## 6 Other income - expenses

The "Other income - expenses" account can be broken down as follows:

	1/1- 31/12/2020	1/1- 31/12/2019
Foreign exchange differences (debit)	-14.52	-20.69
Foreign exchange differences (credit)	10.93	0.01
Other	389.18	-1,144.66
<b>Total Other income - expenses</b>	<b>385.59</b>	<b>-1,165.34</b>

## 7 Administrative expenses

The "Administrative expenses" account can be broken down as follows:

	1/1- 31/12/2020	1/1- 31/12/2019
Third party fees and expenses	263,159.66	246,109.73
Charges for outside services	2,106.20	2,348.49
Taxes & Duties	3,180.00	4,264.00
Miscellaneous Expenses	6,783.97	7,734.37
Commission and sundry expenses	828.97	676.04
Interest on operating leases	1,922.83	2,513.57
Depreciation on operating leases	12,567.87	12,567.87

<b>Total administrative expenses</b>	<b>290,549.50</b>	<b>276,214.07</b>
--------------------------------------	-------------------	-------------------

## 8 Portfolio tax (Law 3371/2005)

The tax entered in the statement of income and other comprehensive income can be broken down as follows:

	<b>1/1- 31/12/2020</b>	<b>1/1- 31/12/2019</b>
Tax for 1st half of year	-5,305.14	-44,785.73
Tax for 2nd half of year	-5,377.49	-6,673.56
<b>Tax under Codified Law 3371/2005</b>	<b>-10,682.63</b>	<b>-51,459.29</b>

The company is taxed on the basis of Article 55 of Law 4646/2019 “on tax reform with a development dimension for the Greece of tomorrow”.

Under Law 4646/2019 the tax owed is 10% of the current European Central Bank intervention rate (Benchmark Rate) augmented by 1% and calculated on the half-yearly average of their investments plus cash assets at current prices.

## 9 Basic and reduced earnings per share

The basic earnings per share, which are the same as the reduced ones, are calculated by dividing the profit corresponding to parent company shareholders by the weighted average number of ordinary shares during the period.

	<b>1/1- 31/12/2020</b>	<b>1/1- 31/12/2019</b>
Earnings (losses) corresponding to shareholders	878,055.40	2,379,210.88
Weighted average number of shares	399,463	400,831
<b>Basic earnings/(losses) per share (in euro per share)</b>	<b>2.1981</b>	<b>5.9357</b>

## 10 Right-of-use assets

The value of right-of-use assets relates to leases in accordance with IFRS 16 and is as follows:

	<b>Properties</b>	<b>Transportatio n Equipment</b>	<b>Total</b>
<b><u>Acquisition</u></b>			
<b>Balance as at 1/1/2019</b>	<b>26,594.63</b>	<b>23,676.82</b>	<b>50,271.45</b>
<b>Balance as at 31/12/2019</b>	<b>26,594.63</b>	<b>23,676.82</b>	<b>50,271.45</b>
<b><u>Accumulated depreciation</u></b>			
<b>Balance as at 1/1/2019</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Depreciation</b>	<b>6,648.66</b>	<b>5,919.21</b>	<b>12,567.87</b>
<b>Balance as at 31/12/2019</b>	<b>6,648.66</b>	<b>5,919.21</b>	<b>12,567.87</b>
<b>Undepreciated balance as at 31/12/2019</b>	<b>19,945.97</b>	<b>17,757.61</b>	<b>37,703.58</b>

	Properties	Transportation Equipment	Total
<b><u>Acquisition</u></b>			
Balance as at 1/1/2020	26,594.63	23,676.82	50,271.45
Additions	0.00	0.00	0.00
Changes in rent and expiry of lease	0.00	0.00	0.00
Lease withdrawals	0.00	0.00	0.00
<b>Balance as at 31/12/20</b>	<b>26,594.63</b>	<b>23,676.82</b>	<b>50,271.45</b>
<b><u>Accumulated depreciation</u></b>			
Balance as at 1/1/2020	6,648.66	5,919.21	12,567.87
Depreciation	6,648.66	5,919.21	12,567.87
Lease withdrawals	0.00	0.00	0.00
<b>Balance as at 31/12/2020</b>	<b>13,297.32</b>	<b>11,838.42</b>	<b>25,135.74</b>
<b>Undepreciated balance as at 31/12/2020</b>	<b>13,297.31</b>	<b>11,838.40</b>	<b>25,135.71</b>

## 11 Other non-current assets

The "Other non-current assets" account can be broken down as follows:

	31/12/2020	31/12/2019
Car rental guarantee	1,230.00	1,230.00
Office lease guarantee	1,250.00	1,250.00
<b>Other non-current assets</b>	<b>2,480.00</b>	<b>2,480.00</b>

## 12 Receivables from brokers

The "Receivables from brokers" account can be broken down as follows:

	31/12/2020	31/12/2019
<b>Total receivables from brokers</b>	<b>0.00</b>	<b>58,270.62</b>

## 13 Other receivables

The "Other receivables" account can be broken down as follows:

	31/12/2020	31/12/2019
Blocked deposits for derivatives exchange	0.00	1.22
Accrued Interest from bonds	14,792.47	10,016.39
Deferred expenses	0.00	1,189.65
Withholding taxes	0.00	2,688.72
Other debtors	500.00	783.20
<b>Total other receivables</b>	<b>15,292.47</b>	<b>14,679.18</b>

## 14 Financial assets at fair value through profit and loss

The "Financial assets at fair value through profit and loss" account can be broken down as follows:

	31/12/2020	31/12/2019
Shares listed on the Athens Exchange	12,100,296.37	11,755,367.96
Shares not listed on the Athens Exchange	0.01	0.01
Domestic Bonds	250,180.00	213,736.00

<b>Total financial instruments</b>	<b>12,350,476.38</b>	<b>11,969,103.97</b>
------------------------------------	----------------------	----------------------

Shares listed on the Athens Exchange are valued at fair value based on the closing price on the last day of the year based on the daily price bulletin for both the main and alternative markets.

Bonds are valued at fair value based on the price traded on the secondary market on the last day of the year based on the prices offered by Bloomberg (Bloomberg Generic Prices).

## 15 Cash and cash equivalents

The "Cash and cash equivalents" account can be broken down as follows:

	<b>31/12/2020</b>	<b>31/12/2019</b>
Cash on hand	366.42	539.02
Sight deposits in euro	683,550.36	1,555,365.69
FX sight deposits	0.00	0.37
<b>Total cash assets</b>	<b>683,916.78</b>	<b>1,555,905.08</b>

## 16 Share capital

On 31/12/2020 the company had a paid-up share capital of € 5,515,620.00 divided into 401,136 registered shares with a nominal value of € 13.75 per share.

The share capital was formed as follows:

	<b>Amounts in euro</b>	<b>No. of Shares</b>	<b>Price per Share</b>
<b>Balance as at 1/1/2019</b>	<b>6,418,176.00</b>	<b>401,136</b>	<b>16</b>
Reduction in share capital	300,852.00	0	0.75
Reduction in share capital	300,852.00	0	0.75
<b>Balance as at 31/12/2019</b>	<b>5,816,472.00</b>	<b>401,136</b>	<b>14.5</b>
Reduction in share capital	300,852.00	0	0.75
<b>Balance as at 31/12/2020</b>	<b>5,515,620.00</b>	<b>401,136</b>	<b>13.75</b>

The Ordinary General Meeting decided on 5/6/2019 to reduce the Company's share capital by € 300,852.00 by reducing the nominal value of each share by € 0.75.

The Extraordinary General Meeting decided on 18/11/2019 to reduce the Company's share capital by € 300,852.00 by reducing the nominal value of each share by € 0.75.

The Ordinary General Meeting decided on 22/6/2020 to reduce the Company's share capital by € 300,852.00 by reducing the nominal value of each share by € 0.75. The share price is € 13.75 each.

## 17 Share premium

The “share premium” account is as follows:

	31/12/2020	31/12/2019
<b>Share premium</b>	<b>1,033,023.00</b>	<b>1,033,023.00</b>

## 18 Other reserves

The “Other reserves” account is as follows:

	31/12/2020	31/12/2019
<b>Statutory reserve</b>	<b>2,586,211.41</b>	<b>2,586,211.41</b>

## 19 Retained earnings

The transactions in the account were as follows:

<b>Balance as at 1/1/2019</b>	<b>300,460.45</b>
Profits for the period 1/1 - 31/12/2019	2,379,210.88
<b>Balance as at 31/12/2019</b>	<b>2,679,671.33</b>
Profits for the period 1/1 - 31/12/2020	878,055.40
<b>Balance as at 31/12/2020</b>	<b>3,557,726.73</b>

## 20 Own shares

The transactions in the “Own shares” account were as follows:

	Items	Value
<b>Balance as at 1/1/2019</b>	<b>0</b>	<b>0.00</b>
Purchase of own shares	669	16,427.65
<b>Balance as at 31/12/2019</b>	<b>669</b>	<b>16,427.65</b>
Purchase of own shares	5,962	133,463.80
<b>Balance as at 31/12/2020</b>	<b>6,631</b>	<b>149,891.45</b>

## 21 Lease liabilities

The value of liabilities relates to leases in accordance with IFRS 16 and is as follows:

	Properties	Transportation Equipment	Total
<b>Balance as at 1/1/2019</b>	<b>26,594.63</b>	<b>23,676.82</b>	<b>50,271.45</b>
Financial cost	1,329.73	1,183.84	2,513.57
Repayments (amortising loan)	-7,500.00	-6,828.39	-14,328.39
<b>Balance as at 31/12/2019</b>	<b>20,424.36</b>	<b>18,032.27</b>	<b>38,456.63</b>
<b>Balance as at 1/1/2020</b>	<b>20,424.36</b>	<b>18,032.27</b>	<b>38,456.63</b>
Financial cost	1,021.22	901.61	1,922.83

# alphatrust andromeda

Repayments (amortising loan)	-7,500.00	-6,621.60	-14,121.60
<b>Balance as at 31/12/2020</b>	<b>13,945.58</b>	<b>12,312.28</b>	<b>26,257.86</b>

<b>Balance as at 31/12/2020</b>	<b>&lt; 1 year</b>	<b>Between 1 and 5 years</b>	<b>&gt; 5 years</b>	<b>Total</b>
Lease liabilities (real estate)	6,802.72	7,142.86	0.00	<b>13,945.58</b>
Lease liabilities (cars)	6,005.99	6,306.29	0.00	<b>12,312.28</b>
<b>Total liabilities</b>	<b>12,808.71</b>	<b>13,449.15</b>	<b>0.00</b>	<b>26,257.86</b>

The following amounts were recognised in the statement of comprehensive income:

	<b>1/1- 31/12/2020</b>	<b>1/1- 31/12/2019</b>
Depreciation of right-of-use assets	12,567.87	12,567.87
Financial cost of lease rights	1,922.83	2,513.57
Variable leases	76.04	0.00
<b>Total amount recognised in statement of comprehensive income</b>	<b>14,566.74</b>	<b>15,081.44</b>

## 22 Taxes owed

The "Taxes owed" account can be broken down as follows:

	<b>31/12/2020</b>	<b>31/12/2019</b>
<b>Law 3371/2005 tax</b>	<b>1,279.16</b>	<b>0.00</b>

The Company has been audited for taxation purposes by the statutory auditor for the 2013 and 2014 periods in accordance with Circular No. ΠΟΛ. 1159/22.07.2011. For the periods 2015 to 2019 inclusive, the Company has been audited for taxation purposes in line with Circular No. ΠΟΛ1124/18.6.2015 and a tax audit for 2020 is under way by the statutory auditor based on that circular.

Company Management considers that no additional taxes are expected to arise given the special method for calculating corporate income tax.

## 23 Dividends payable

The "dividends payable" account can be broken down as follows:

<b>Balance as at 1/1/2019</b>	<b>3,093.85</b>
less dividends paid in 2013	-1,537.60
<b>Balance as at 31/12/2019</b>	<b>1,556.25</b>
<b>Balance as at 31/12/2020</b>	<b>1,556.25</b>

The balance on 31/12/2020 can be broken down as follows:

-	<b>31/12/2020</b>
Dividend for the period 2017	1,556.25

<b>Total dividends payable</b>	<b>1,556.25</b>
--------------------------------	-----------------

## 24 Other liabilities

The “Other liabilities” account can be broken down as follows:

	<b>31/12/2020</b>	<b>31/12/2019</b>
Alphatrust Mutual Fund and Alternative Investment Fund Management Co. S.A.	334,435.16	1,030,414.52
Sundry creditors	35,059.50	33,608.38
Debts to shareholders from reduction in capital	124,627.31	421,778.83
Tax, stamp duty and levies	11,396.41	13,377.73
<b>Total other liabilities</b>	<b>505,518.38</b>	<b>1,499,179.46</b>

## 25 Dividends

The Board of Directors will decide on and inform investors in a subsequent announcement closer to the time about its proposal to distribute a dividend.

## 26 Contingent liabilities

There are no disputes in arbitration or sub judice, or court decisions or arbitration awards which could or could have a significant impact on the financial status or operation of the Company.

No major burden on the company’s financial status is expected to arise from a future tax audit due to the special tax regime it is subject to and no provision has been formed. There are no other contingent liabilities.

## 27 Transactions with related parties and other important contracts

The Company is listed on the Athens Exchange and its shares are widely available to investors.

According to IAS 24, a related party is a party which has the ability to control or exercise significant influence over the financial or operational decisions taken by the company. Related parties also include members of the Board of Directors and Company Management and the closest members of their family.

In addition to the transactions it enters into with related parties (members of the Board of Directors) the company has also entered into major contracts which are cited below:

- Management of the Company’s portfolio and risk management (investment management) in line with the decision of its Board of Directors dated 22.2.2018 has been assigned to ALPHA TRUST by means of an Alternative Investment Fund Management Agreement, which was implemented in the period 1/1 - 31/12/2020 based on the investment policy which has been laid down. The effective term of this Agreement, as amended and in force, which was approved by the Ordinary General Meeting on 22/6/2020 in accordance with the provisions of the said agreement (Law 3371/2005) and Law 4209/2013, if not terminated, is automatically renewed for one year each time with the approval of the Ordinary General Meeting of Shareholders.



The Board of Directors has also appointed an Investments Committee, which has an exclusively consultative nature, for the Company's investment matters. For the services provided, the fee of ALPHA TRUST is set at 1.5% annually, of the daily current value of ANDROMEDA's portfolio, as arises from the daily table of investments, increased by any type of existing receivables and decreased by any existing liabilities from purchases of securities. Where the annual percentage return on the NAV of the ANDROMEDA portfolio achieved is positive, ALPHA TRUST is entitled to an additional success fee which is equal to 20% of the appreciation achieved.

- Moreover, under that agreement ALPHA TRUST has been assigned the task of providing administrative services within the meaning of Article 6 of Law 4209/2013, which consists of legal services, accounting management services, shareholder services, checking compliance with regulatory provisions, other administrative services, advertising, marketing services, etc. ALPHA TRUST's fee for those services is € 4,265.00 per month plus VAT.
- The Company has concluded a loan of employee agreement for one employee from ALPHA TRUST, whom it employs as its internal auditor.
- On 26/3/2020 the Company's Board of Directors approved a sublease agreement with ALPHA TRUST Mutual Funds and Alternative Investment Fund Management Co. S.A. to sublet office space in a building located at 7 Kavalieratou St., Kifissia, in order to transfer its offices from 21 Tatoiou St. in Kifissia and to terminate the subletting agreement of 3.10.2008 with ALPHA TRUST HELLENIC LAND Co. S.A. which is a 99.99% subsidiary of ALPHA TRUST. The company's seat is in the Municipality of Kifissia. The subletting agreement was signed on 4/5/2020 and expires on 31/12/2022.

The Ordinary General Meeting of shareholders pre-approved the remuneration of the Board of Directors and the Managing Director.

The members of the Board of Directors participating in the management or capital of other companies are listed below:

- Mr. Alexander Zagoreos is a member of the Board of Directors of: The World Trust Fund, Aberdeen Emerging Smaller Companies Opportunities Fund, Alpha Trust Andromeda Fund.
- Mr. Phaedon-Theodoros Tamvakakis is Chairman of ALPHA TRUST Mutual Funds and Alternative Investment Fund Management Co. S.A. and has a 20.803% holding in its share capital. He is also Chairman of the Board and Managing Director of the company Plant Development Co. S.A. and participates in its share capital with a 100% stake, is an independent non-executive member of Quest Holdings S.A., and Vice Chairman of the Board, independent non-executive member of BRIQ PROPERTIES Real Estate Investments S.A.

- Mr. Anastasios Adam is Managing Director of Papamarkou Wellner Asset Management, Inc. (New York).
- Mr Nikolaos Kyriazis is Vice Chairman and non-executive member of the Board of Directors of "Ergoman S.A."
- Mr. James Edward Jordan is a member of the Board of THE FIRST EAGLE FAMILY OF MUTUAL FUNDS AND JZ CAPITAL PARTNERS, LLC (GUERNSEY INVESTMENT TRUST COMPANY).

Transactions with related parties and the amounts of significant contracts for the periods 1/1-31/12/2020 and 1/1-31/12/2019 are as follows:

## **Major contracts**

**Major contracts: Show transactions in statement of comprehensive income**

<b>ALPHA TRUST Mutual Fund &amp; Alternative Investment Fund Management Co. S.A.</b>	<b>1/1-31/12/2020</b>	<b>1/1-31/12/2019</b>
- Portfolio management fee	198,265.44	233,257.77
- Success Fee	305,847.90	1,000,404.60
- Fee for loan of employee	43,152.00	43,152.00
- Accounting support fee	63,463.20	63,463.20
<b>Total</b>	<b>610,728.54</b>	<b>1,340,277.57</b>
<b>ALPHA TRUST HELLENIC LAND REAL ESTATE Co. S.A.</b>	<b>1/1-31/12/2020</b>	<b>1/1-31/12/2019</b>
- Rental fee	2,500.00	7,500.00
<b>ALPHA TRUST Mutual Fund &amp; Alternative Investment Fund Management Co. S.A.</b>	<b>1/1-31/12/2020</b>	<b>1/1-31/12/2019</b>
- Rental fee	5,000.00	-

## **Transactions with related parties**

<b>Directors' fees</b>	<b>1/1-31/12/2020</b>	<b>1/1-31/12/2019</b>
BoD fees	84,000.00	84,000.00
Managing Director's Fees	24,999.96	24,999.96
- Social Security Provider / EFKA Fund social security contributions	15,424.92	15,490.97
<b>Total</b>	<b>124,424.88</b>	<b>124,490.93</b>

The receivables and liabilities balances for related parties and major contracts on 31/12/2020 and 31/12/2019 were as follows:

## Presentation in the Statement of Financial Position

	31/12/2020	31/12/2019
	Liabilities	Liabilities
<b>ALPHA TRUST Mutual Fund &amp; Alternative Investment Fund Management Co. S.A.</b>	305,847.90	1,030,415.52
<b>BoD fees</b>	0.00	24,179.97
<b>Total</b>	<b>305,847.90</b>	<b>1,054,595.49</b>
	31/12/2020	31/12/2019
	Receivables	Receivables
<b>ALPHA TRUST HELLENIC LAND REAL ESTATE Co. S.A.</b>	-	1,250.00
<b>ALPHA TRUST Mutual Fund &amp; Alternative Investment Fund Management Co. S.A.</b>	<b>1,250.00</b>	-

On 22/6/2020 the Ordinary General Meeting of Shareholders approved the granting of Board of Directors fees of € 200,000.00 for 2020 and Managing Director fees of € 25,000.00. However, members were paid a total of € 124,424.88 including the EFKA Fund social security contributions (€ 84,000.00 for Board of Directors fees, € 24,999.96 for Managing Director fees and € 15,424.92 for social security contributions for all fees).

During the 2020 accounting period there were no changes in the transactions between the Company and its related parties, which could have a material effect on the financial position and performance of the Company.

## 28 Other information

The members of the Board of Directors participating in the management or capital of other companies are listed below:

- Mr. Alexander Zagoreos is a member of the Board of Directors of: The World Trust Fund, Aberdeen Emerging Smaller Companies Opportunities Fund, Alpha Trust Andromeda Fund.
- Mr. Phaedon-Theodoros Tamvakakis is Chairman of ALPHA TRUST Mutual Funds and Alternative Investment Fund Management Co. S.A. and has a 20.803% holding in its share capital. He is also Chairman of the Board and Managing Director of the company Plant Development Co. S.A. and participates in its share capital with a 100% stake, is an independent non-executive member of Quest Holdings S.A., and Vice Chairman of the Board, independent non-executive member of BRIQ PROPERTIES Real Estate Investments S.A.
- Mr. Anastasios Adam is Managing Director of Papamarkou Wellner Asset Management, Inc. (New York).
  - Mr Nikolaos Kyriazis is Vice Chairman and non-executive member of the Board of Directors of "Ergoman S.A."

- Mr. James Edward Jordan is a member of the Board of THE FIRST EAGLE FAMILY OF MUTUAL FUNDS AND JZ CAPITAL PARTNERS, LLC (GUERNSEY INVESTMENT TRUST COMPANY).
- On 31/12/2020 the Company did not employ any staff and had entered into contracts with external associates.
- The goodwill on the company's portfolio on 31/12/2020 was € 2,302,891.52.
- The stock exchange price of the share on 31/12/2020 was € 23.20.

## **29 Impact of the COVID-19 pandemic**

The outbreak of the COVID-19 epidemic has put the country in a state of crisis and the Greek Government took immediate steps to limit the deep repercussions on society and the economy as much as possible, since the epidemic affects not just the general population but also many organisations and businesses. The Greek Government's efforts seek to curb the spread of the virus in an effective manner while at the same time safeguarding jobs and the economy in general via financial support measures, suspension of payments, support for employees and the unemployed, etc. At the same time the company acted immediately taking measures to safeguard:

- The health and safety of employees and associates
- Business continuity and
- To minimise the operational and financial consequences of COVID-19

### **Impact on Company operations**

Company Management is monitoring developments very closely and systematically and ensures that measures are taken each day which are considered necessary and appropriate to ensure business continuity, uninterrupted operations and to limit negative impacts to the least possible degree. Moreover, Management is closely monitoring developments in the pandemic, following guidance from local healthcare authorities and complying with the requirements and actions implemented by the Greek Government. The Company has implemented contingency plans to limit possible negative impacts on associates of the Company.

The Company has assigned the task of managing the Company's portfolio and managing risks (investment management) under an Alternative Investment Fund Management Agreement. Moreover, that contract assigned ALPHA TRUST the task of providing administrative services within the meaning of Article 6 of Law 4209/2013.

The ALPHA TRUST:

- Has put in place a crisis management plan for COVID-19 implementing policies and procedures that allow flexible forms of work so that company operations can be handled daily, problem-free and without interruption by the company's competent executives either from their workplace or remotely via teleworking.

- Keeps abreast of and implements National Public Health Organisation guidelines on employee protection and personal hygiene to prevent the spread of the virus. At the same time, all workplaces are cleaned more frequently with greater diligence and using stronger disinfectants.
- Has issued strict recommendations to employees to avoid personal trips and to avoid meetings or gatherings with large numbers of people. Specific instructions have been given to employees who may show symptoms of the virus and who are suspected of being infected, concerning the steps they should take, always following guidelines from the National Public Health Organisation.

## **Impact on company financial position - Results**

Gross income for 2020 stood at around € 1,733,000 and primarily came from gains from valuation of financial assets at fair value in the results in line with the IFRS. Gains from the valuation of financial assets increased mainly due to the optimism that prevailed in the markets from announcements that a vaccine against COVID-19 had been found. Expenses for the period stood at around € 844.5 thousand compared to around € 1,566 thousand in 2019 and this was due to the fact that there was no major capital appreciation for the company's portfolio and consequently the Manager's success fee was low.

## **Liquidity**

The availability of significant liquidity reserves and their management allowed the liquidity ratios to remain at satisfactory levels, despite the significant impact on the company's financials from the drop in prices due to the pandemic.

## **Equity**

Despite losses in the first half of 2020 due to the portfolio being impaired since the Greek stock market was affected to a large extent by international markets, in the second half of the year the company recovered due to positive news on the COVID-19 front and closed the year with profits of around € 878 thousand. Company equity remains at satisfactory levels.

## **Risk management**

The company invests in companies listed on the Greek stock exchange which it selects based on the fundamental analysis with the aim of achieving long-term capital appreciation.

Consequently, the portfolio's performance is directly interwoven with that of ATHEX. Our concern is to take a prudent approach and to create a portfolio that features remarkable companies at prices we assess based on their fundamentals.

Moreover, our objective in managing the portfolio is to maintain risk at levels lower than those in the General Index, as expressed in relative VaR. The impact of the COVID-19 pandemic has been included in the historical stress test conducted on a regular basis for the portfolio.

The Company ensures that the method of calculation of the global risk exposure is adequate, precise and reliable. To this end, the Historical VaR methodology has been chosen and is calculated on a daily basis using the Systemic SA system. The relative value-at-risk approach is applied to the Company's portfolio and its benchmark index on a daily basis. The methodology for measuring market risk includes not only the sensitivity of portfolio performance to major market risks (equity, interest rate, currency) to which the portfolio is exposed,

but also the correlations among them. Therefore it is considered to provide a better and more realistic assessment of the overall market risk faced by the portfolio.

Lastly, The Company also uses back testing, which compares the Relative-Value-at-Risk measurements calculated using the daily changes in the value of the Company's portfolio at the end of the previous working day.

## **Safety, business continuity and measures taken**

The measures adopted by the public health authorities have been implemented, including working from home. The company's priority is to ensure the health and safety of employees and their families, and to ensure business continuity by following the recommendations of the public health authorities. Company Management is monitoring developments very closely and systematically and ensures that measures are taken each day which are considered necessary and appropriate to ensure business continuity, uninterrupted operations and to limit negative impacts to the least possible degree. With the health and safety of its employees as a top priority, it moved rapidly and decisively, planned and immediately began implementing a series of measures and actions whose main objectives are: developing a safe working environment in parallel with the adoption of remote working policies where that is considered feasible and necessary, ensuring security and utilising cutting-edge IT to limit travel to the minimum possible and hosting video conferences. Exceptionally strict operating rules have been adopted to ensure employee safety and security.

## **30 Subsequent events**

There are no major events after 31/12/2020 which should be notified or which change the figures in the published financial statements.

### **INFORMATION REQUIRED PURSUANT TO ARTICLE 10 OF LAW 3401/2005**

INFORMATION REQUIRED PURSUANT TO ARTICLE 10 OF LAW 3401/2005 IN ACCORDANCE WITH ARTICLE 8(F) OF THE HELLENIC CAPITAL MARKET COMMISSION DECISION NO. 7/372/15.2.2006.

During 2020 the Company published and made available to the public the following information which is available on its website, [www.andromeda.eu](http://www.andromeda.eu), on the relevant dates.

02/01/2020	ANNOUNCEMENT ON THE SUBMISSION OF DATA PURSUANT TO DECISION 4/278/12-08-03 OF THE HELLENIC CAPITAL MARKET COMMITTEE - NAV.
10/01/2020	INVESTOR INFORMATION FOR 2019 Q4
13/01/2020	ANNOUNCEMENT ON THE SUBMISSION OF DATA PURSUANT TO DECISION 4/278/12-08-03 OF THE HELLENIC CAPITAL MARKET COMMITTEE - NAV.
17/01/2020	MONTHLY INVESTMENT UPDATE – DECEMBER 2019
21/01/2020	ANNOUNCEMENT ON THE SUBMISSION OF DATA PURSUANT TO DECISION 4/278/12-08-03 OF THE HELLENIC CAPITAL MARKET COMMITTEE - NAV.
23/01/2020	INVESTOR INFORMATION FOR 2019 Q4
03/02/2020	ANNOUNCEMENT ON THE SUBMISSION OF DATA PURSUANT TO DECISION 4/278/12-08-03 OF THE HELLENIC CAPITAL MARKET COMMITTEE - NAV.
06/02/2020	MONTHLY INVESTMENT UPDATE – JANUARY 2020
11/02/2020	ANNOUNCEMENT ON THE SUBMISSION OF DATA PURSUANT TO DECISION 4/278/12-08-03 OF THE HELLENIC CAPITAL MARKET COMMITTEE - NAV.
21/02/2020	ANNOUNCEMENT ON THE SUBMISSION OF DATA PURSUANT TO DECISION 4/278/12-08-03 OF THE HELLENIC CAPITAL MARKET COMMITTEE - NAV.

27/02/2020	NOTICE OF 2020 FINANCIAL CALENDAR
28/02/2020	2020 FINANCIAL STATEMENTS
28/02/2020	PRESS RELEASE ABOUT 2020 FINANCIAL STATEMENTS
03/03/2020	ANNOUNCEMENT ON THE SUBMISSION OF DATA PURSUANT TO DECISION 4/278/12-08-03 OF THE HELLENIC CAPITAL MARKET COMMITTEE - NAV.
04/03/2020	NOTICE OF PURCHASE OF OWN SHARES
06/03/2020	MONTHLY INVESTMENT UPDATE – FEBURARY 2020
09/03/2020	NOTICE OF PURCHASE OF OWN SHARES
11/03/2020	ANNOUNCEMENT ON THE SUBMISSION OF DATA PURSUANT TO DECISION 4/278/12-08-03 OF THE HELLENIC CAPITAL MARKET COMMITTEE - NAV.
23/03/2020	ANNOUNCEMENT ON THE SUBMISSION OF DATA PURSUANT TO DECISION 4/278/12-08-03 OF THE HELLENIC CAPITAL MARKET COMMITTEE - NAV.
26/03/2020	TRADE AND INDUSTRY – XLS FILES BECAUSE THEY STILL NEEDED TO BE SUBMITTED ALONG WITH THE FINANCIAL STATEMENTS DATED 28.2.2020 DUE TO TECHNICAL PROBLEM AT ATHEX
27/03/2020	SUPPLEMENTARY SUBMISSION OF THE CERTIFIED AUDITOR'S CERTIFICATE ALONG WITH THE ABOVE XLS FILES
01/04/2020	ANNOUNCEMENT ON THE SUBMISSION OF DATA PURSUANT TO DECISION 4/278/12-08-03 OF THE HELLENIC CAPITAL MARKET COMMITTEE - NAV.
08/04/2020	MONTHLY INVESTMENT UPDATE – MARCH 2020
10/04/2020	INVESTMENT TABLES 31/3/2020
13/04/2020	ANNOUNCEMENT ON THE SUBMISSION OF DATA PURSUANT TO DECISION 4/278/12-08-03 OF THE HELLENIC CAPITAL MARKET COMMITTEE - NAV.
15/04/2020	INVESTOR INFORMATION FOR 2020 Q1
21/04/2020	ANNOUNCEMENT ON THE SUBMISSION OF DATA PURSUANT TO DECISION 4/278/12-08-03 OF THE HELLENIC CAPITAL MARKET COMMITTEE - NAV.

23/04/2020	AMENDMENT OF FINANCIAL CALENDAR
04/05/2020	ANNOUNCEMENT ON THE SUBMISSION OF DATA PURSUANT TO DECISION 4/278/12-08-03 OF THE HELLENIC CAPITAL MARKET COMMITTEE - NAV.
11/05/2020	ANNOUNCEMENT ON THE SUBMISSION OF DATA PURSUANT TO DECISION 4/278/12-08-03 OF THE HELLENIC CAPITAL MARKET COMMITTEE - NAV.
13/05/2020	MONTHLY INVESTMENT UPDATE – APRIL 2020
21/05/2020	ANNOUNCEMENT ON THE SUBMISSION OF DATA PURSUANT TO DECISION 4/278/12-08-03 OF THE HELLENIC CAPITAL MARKET COMMITTEE - NAV.
28/05/2020	CHANGE IN OFFICE ADDRESS
29/05/2020	INVITATION TO AN ORDINARY GENERAL MEETING
01/06/2020	ANNOUNCEMENT ON THE SUBMISSION OF DATA PURSUANT TO DECISION 4/278/12-08-03 OF THE HELLENIC CAPITAL MARKET COMMITTEE - NAV.
01/06/2020	AMENDMENT OF FINANCIAL CALENDAR
05/06/2020	MONTHLY INVESTMENT UPDATE - MAY 2020
11/06/2020	ANNOUNCEMENT ON THE SUBMISSION OF DATA PURSUANT TO DECISION 4/278/12-08-03 OF THE HELLENIC CAPITAL MARKET COMMITTEE - NAV.
19/06/2020	NOTICE OF REPLACEMENT OF INTERNAL AUDITOR
22/06/2020	ANNOUNCEMENT ON THE SUBMISSION OF DATA PURSUANT TO DECISION 4/278/12-08-03 OF THE HELLENIC CAPITAL MARKET COMMITTEE - NAV.
23/06/2020	DECISIONS OF ORDINARY GENERAL MEETING OF 22/6/2020
01/07/2020	ANNOUNCEMENT ON THE SUBMISSION OF DATA PURSUANT TO DECISION 4/278/12-08-03 OF THE HELLENIC CAPITAL MARKET COMMITTEE - NAV.



08/07/2020	NOTICE OF EXPIRY OF PURCHASE PERIOD FOR OWN SHARES IN LINE WITH DECISION OF THE GENERAL MEETING 22/06/2020
08/07/2020	NOTIFICATION OF DECISION TO PURCHASE OWN SHARES
13/07/2020	ANNOUNCEMENT ON THE SUBMISSION OF DATA PURSUANT TO DECISION 4/278/12-08-03 OF THE HELLENIC CAPITAL MARKET COMMITTEE - NAV.
14/07/2020	MONTHLY INVESTMENT UPDATE - JUNE 2020
16/07/2020	INVESTMENT TABLES
21/07/2020	INVESTOR INFORMATION FOR 2020 Q2
21/07/2020	ANNOUNCEMENT ON THE SUBMISSION OF DATA PURSUANT TO DECISION 4/278/12-08-03 OF THE HELLENIC CAPITAL MARKET COMMITTEE - NAV.
03/08/2020	ANNOUNCEMENT ON THE SUBMISSION OF DATA PURSUANT TO DECISION 4/278/12-08-03 OF THE HELLENIC CAPITAL MARKET COMMITTEE - NAV.
06/08/2020	MONTHLY INVESTMENT UPDATE - JULY 2020
11/08/2020	ANNOUNCEMENT ON THE SUBMISSION OF DATA PURSUANT TO DECISION 4/278/12-08-03 OF THE HELLENIC CAPITAL MARKET COMMITTEE - NAV.
21/08/2020	ANNOUNCEMENT ON THE SUBMISSION OF DATA PURSUANT TO DECISION 4/278/12-08-03 OF THE HELLENIC CAPITAL MARKET COMMITTEE - NAV.
01/09/2020	ANNOUNCEMENT ON THE SUBMISSION OF DATA PURSUANT TO DECISION 4/278/12-08-03 OF THE HELLENIC CAPITAL MARKET COMMITTEE - NAV.
04/09/2020	MONTHLY INVESTMENT UPDATE - AUGUST 2020
11/09/2020	ANNOUNCEMENT ON THE SUBMISSION OF DATA PURSUANT TO DECISION 4/278/12-08-03 OF THE HELLENIC CAPITAL MARKET COMMITTEE - NAV.
21/09/2020	ANNOUNCEMENT ON THE SUBMISSION OF DATA PURSUANT TO DECISION 4/278/12-08-03 OF THE HELLENIC CAPITAL MARKET COMMITTEE - NAV.
22/09/2020	NOTICE OF RETURN OF CAPITAL
28/09/2020	NOTIFICATION OF DECISION TO PURCHASE OWN SHARES
01/10/2020	ANNOUNCEMENT ON THE SUBMISSION OF DATA PURSUANT TO DECISION 4/278/12-08-03 OF THE HELLENIC CAPITAL MARKET COMMITTEE - NAV.
08/10/2020	MONTHLY INVESTMENT UPDATE - SEPTEMBER 2020
09/10/2020	INVESTMENT TABLES 30/9/2020
09/10/2020	PRESS RELEASE ABOUT 2020 9M RESULTS (IN GREEK - ENGLISH)
12/10/2020	ANNOUNCEMENT ON THE SUBMISSION OF DATA PURSUANT TO DECISION 4/278/12-08-03 OF THE HELLENIC CAPITAL MARKET COMMITTEE - NAV.
12/10/2020	NOTIFICATION OF AMENDMENT OF DECISION TO PURCHASE OWN SHARES
21/10/2020	ANNOUNCEMENT ON THE SUBMISSION OF DATA PURSUANT TO DECISION 4/278/12-08-03 OF THE HELLENIC CAPITAL MARKET COMMITTEE - NAV.
02/11/2020	ANNOUNCEMENT ON THE SUBMISSION OF DATA PURSUANT TO DECISION 4/278/12-08-03 OF THE HELLENIC CAPITAL MARKET COMMITTEE - NAV.
05/11/2020	NOTICE PURSUANT TO ARTICLE 5(6) OF LAW 3556/2007 ON THE IMPACT OF THE PANDEMIC
10/11/2020	MONTHLY INVESTMENT UPDATE – OCTOBER 2020
11/11/2020	ANNOUNCEMENT ON THE SUBMISSION OF DATA PURSUANT TO DECISION 4/278/12-08-03 OF THE HELLENIC CAPITAL MARKET COMMITTEE - NAV.
23/11/2020	ANNOUNCEMENT ON THE SUBMISSION OF DATA PURSUANT TO DECISION 4/278/12-08-03 OF THE HELLENIC CAPITAL MARKET COMMITTEE - NAV.
26/11/2020	NOTIFICATION OF DECISION TO PURCHASE OWN SHARES
01/12/2020	ANNOUNCEMENT ON THE SUBMISSION OF DATA PURSUANT TO DECISION 4/278/12-08-03 OF THE HELLENIC CAPITAL MARKET COMMITTEE - NAV.
03/12/2020	MONTHLY INVESTMENT UPDATE - NOVEMBER 2020



03/12/2020	ISSUING OF TAX CERTIFICATE
11/12/2020	ANNOUNCEMENT ON THE SUBMISSION OF DATA PURSUANT TO DECISION 4/278/12-08-03 OF THE HELLENIC CAPITAL MARKET COMMITTEE - NAV.
16/12/2020	PURCHASES OF OWN SHARES
17/12/2020	PURCHASES OF OWN SHARES
21/12/2020	ANNOUNCEMENT ON THE SUBMISSION OF DATA PURSUANT TO DECISION 4/278/12-08-03 OF THE HELLENIC CAPITAL MARKET COMMITTEE - NAV.

## WEBSITE ON WHICH THE ANNUAL FINANCIAL REPORT AND OTHER INFORMATION REQUIRED ARE POSTED

To ensure that investors and shareholders are better informed in good time, the Company has a website which can be visited: [www.andromeda.eu](http://www.andromeda.eu), where they can learn about the per share NAV price, stock exchange price of the share and any other developments on a daily basis. This Annual Report is also posted on the Company's website.

The annual financial reports, the audit reports of the certified public accountant and the Board of Directors' reports have been posted to that website.

Lastly, Mrs. Maria Salamoura in the Company's Shareholder Relations Department (tel. 210 6289200, fax: 210 62 34 242) can be contacted by shareholders should they require additional information and updates.

Kifissia, 18 March 2021

THE VICE-CHAIRMAN OF THE BOARD

THE MANAGING DIRECTOR

THE CHIEF ACCOUNTANT

Phaedon-Theodoros Tamvakakis  
ID Card No. X062986

KONSTANTINOS TZINIERIS  
ID Card No. AK 120117

NIKOLAOS PAPADOPOULOS  
Econ. Chamber of Greece  
Licence No. A/13595.