C. CHIONIS CONSULTING ENGINEERS S.A.

46 PATISION, T.K.10682 ATHENS

General Commerce Reg. No. 047868825000

ANNUAL MANAGEMENT REPORT

for the period

1st JANUARY till 31st DECEMBER 2020

<u>Annual Management Report for the Board for financial year 20020</u>

«GEOTEST C. CHIONIS CONSULTING ENGINEERS S.A.»

Balance sheet and Income Statement

Financial Year 1/1/2020 - 31/12/2020

General Commerce Reg. No.: 47868825000

This Annual Report of the Board of Directors refers to the financial year 2020 and was prepared in accordance with the provisions of Law no. 4548/2018. This report provides summary information on the financial position, the results of the year and the position of the company for the fiscal year 2020. In addition, it describes the important events that took place during the year as well as a record of the main developments that took place after the balance sheet date. It also provides information on the management of potential financial risks that the company may face, on transactions made between the company and its related parties as well as information on the expected evolution of the company's activities.

<u>Brief description of business model</u>

The company "Geotest C. CHIONIS CONSULTING ENGINEERS SA" was founded in 2012 and operates in owned offices at 46 Patision Street, 10682 in the center of Athens. It is based in the offices located in Kolokotroni 92-94, 18535 in Piraeus and at the same time maintains offices in Stavros, Halkidiki.

The Company is active in the area of mining and geotechnical surveys and studies (BAC 43131000) and technical studies (BAC 71120000). It holds a leading position in the field of mining and drilling services since it has been involved in the drilling work for the most important mines in the Greek Territory (Ellynikos Xhrysos-ElDoradogold, Imerys-Vauxite, Terna Magnesite). With its own modern fleet of drilling rigs, accompanying means of transport and technical equipment, implements demanding projects in mining and drilling services. Geotest C. CHIONIS CONSULTING ENGINEERS SA operates with an unwavering commitment to safety, is dedicated to providing a high quality professional service working closely to the clients.

It must be noted that in recent years the demand for drilling and mining services has been surged since idle mines restarted and new mine concessions begin to be exploited. The renewed interest in the exploitation of mineral resources and the transition to green energy in both the EU and Greece intensifies the exploitation of mines in a country with rich mineral deserves. During the process of exploitation of mineral resources and during development-research, a significant number of drilling and exploration services are required. After significant investments in human resources and technological equipment, Geotest CH. CHIONIS CONSULTING ENGINEERS SA meets the international standards of mining companies by achieving collaborations with international entities in order to implement very demanding contracts.

Another area of operation is the field of technical studies and studies for technical infrastructure projects, geotechnical and geological studies, studies of building projects. The company is a member of the Exporters Association of Northern Greece, holding a position on the Board of Directors of the Organization.

The President and CEO of the company Mr. Christos Chionis is a Civil Engineer (M.Sc.) and holds the largest percentage of the company's shares.

<u>Management principles and internal management systems</u>

The management team of the company attempts to create an appropriate environment for its operation in order to ensure competitive business activity and the full utilization of all available resources to achieve its objectives. At Geotest we strongly believe that the excellence and the growth must be governed by ethos and values that maintain our unwavering alliance with society, people and the environment.
The company's policy emphasize:

-the provision of high quality competitive services,
-the adaptation of the business model to the requirements of the customer
-the implementation of procedures based on transparency,
-in environmental protection
- the integration of the principles of corporate governance and corporate control
-equality of opportunities

The administrative structure is determined by the decisions of the board of directors and the managing director while the operational structure as well as the organizational chart of works in the mines is determined by the Regulation of Mining and Quarrying (No. Government Gazette 1227, 14/06/2011) and the environmental, labor legislation in which the company is fully adapted. The company does not have an independent internal audit service, however, in order to ensure the independence and full transparency of its operation, the activities are supervised by the Board.

A. Development, performance and position of the company

During the financial year 2020 the company expanded its work with existing customers and further expanded the scope of partnerships by signing new contracts. At the same time explored the possibilities of cooperation with the multinational company Imerys (mineral based specialist) and the company European Bauxites, Bauxites of Parnassos. The competitive bid submitted in 2019 was contracted in the first half of 2020. In addition, the possibilities of cooperation for geotechnical and mining activities abroad were explored. In this context started the cooperation with Imerys Talc Austria for the implementation of drilling project in Rabenwald-Gratz. As regard the geotechnical services the company participated in a Request for Quotation and Request for Proposals distributed by Aktor for implementing geotechnical works in Brasov, Romania.

In what it folows we briefly report the financial data and the results of the company for the year 1/ 1-31 / 12/2020.

The turnover in the aforementioned period amounted to € 6,030,109.68 compared to € 5,214,340.26 of the previous year 2019 recording an increase of 16%. The gross profit in the current year amounted to € 1,762,813.00 compared to € 1,076,925.29 of the previous year 2019, recording an increase of 63.69%. The pre-tax profits of the company amounted to € 1,308,235.22 compared to pre-tax profits of € 783,958.89 of the previous year 2019, recording an increase of 66.68%. As it is shown in the financial data the total liabilities in the current year amounted to € 891,072.10 compared to € 1,276,572.39 of the previous year 2019, recording a decrease of 30.20%. Accounts receivables in the current year amounted to € 3,022,434.49 compared to € 1,952,392.40 of the previous year 2019, recording an increase of 54.81%.

For achieving a most complete picture of the company's operations during the fiscal year 2020 we quote the following representative financial data:

	31/12/2020	**31/12/2019**	**Change (%)**
Sales	6.030.109,68	5.214.340,26	15,64%
Gross Profits	1.762.813,00	1.076.925,29	63,69%

Gross Profits/ Sales	29,23%	20,65%	41,55%
Equity /Total Liabilities	52,18%	52,21%	-0,05%
Equity/fixed assets	107,14%	91,36%	17,28%
Liquidity Ratio (Current Assets/Short Term liabilities)	170,43%	141,41%	20,52%

B. Company Properties

The value of the company's properties (plots and buildings) during the year 2020 amounts to € 203,188.54 and concerns an apartment of 196 sq.m. at Patision 46 on the 6th floor.

C. Branches and offices of the company

The company operated a branche in the area Ano Stavros, Thessaloniki 57014, Stavros

and offices at 46 Patision Street in Athens, PC 10682.

D. Major Events that occurred during the closing year

During the year ended, the company explored the expansion of its mining activities in the Balkan area and in the EU countries. Geotest enriched its fleet of drilling rigs and the mechanical equipment with the purchase of new drills. Maintains in this way the leading position and its comparative advantage in terms of technology and available mechanical equipment.

The rapid spread of the COVID-19 and the declaration of a pandemic by the World Health Organization is an unprecedented test for the whole world with an uncertain course. The Company, with a maximum sense of responsibility, closely monitors the developments in order to respond appropriately at all levels. Regarding the effects on its liquidity, the Company has benefited by the supporting measures taken by the greek public administration to support the affected companies and in particular benefited by the measure of suspension of insurance and tax liabilities as well as the measure of interest on loans.

E. Financial risk management

Due to particularities of the area of its activities the company is exposed to various financial risks, the main ones of which are credit risk, price risk and finally liquidity risk. The relevant risk management policies aim to minimize the impact on the company's financial position.

The usual risks to which the company is exposed are the following:

a) Credit risk

The credit risk consists in the possibility that a counterparty to Geotest failed to meet its obligations. The company 's counterparties are primarily highly creditworthy legal entities and companies. Most of the aforementioned companies are listed on the ASE and the NYSE while the exposure to the public administration contracts and the local authorities are limited. The company constantly checks customers' requirements and incorporates the resulting information into the credit analysis. In this way it can mitigate any changes in the economic environment that could lead to the inability to repay its obligations. In this way the company manages the credit risk in order to minimize the consequences of changes in the financial environment.

In addition, the company throughout its operation and in order to minimize the effects of the liquidity constraint maintained high cash and cash equivalents placed in variable and fixed income values in Greece and abroad. At the same time, it maintains open credit lines with Greek banks.

b) Liquidity risk

Liquidity is the ability of a firm to pay its debts without suffering catastrophic losses. Conversely, liquidity risk stems from the lack of marketability of an investment that can't be bought or sold quickly enough to prevent or minimize a loss. The liquidity risk arise from the danger that the company will not be able to meet its financial obligations. The liquidity risk of Geotest CH. CHIONIS CONSULTING ENGINEERS SA is kept low and this is because it maintains high cash and open lines of credit with greek banks. In addition the liquidity of the company is monitored at regular intervals and the management of the Company monitors and evaluates the developments and takes the necessary measures to ensure sufficient liquidity, which will ensure the smooth continuation of its activities.

The Company has secured financing lines from the National Bank, the Bank of Attica and the Eurobank. Due to the dynamic nature of the activities the company maintains flexibility of financing by ensuring the availability of cash and credits. In the cases of implementing public sector's contracts , there are delays in payments, however the effects on liquidity are limited due to the small share in turnover.

c) Price risk

The offered prices of the provided services are determined by both the legal framework and the competition. In the case of mining and drilling services the prices have remained stable in recent years. The management of the company monitors the developments in the market taking into account the cost variability and the quality of the provided services to be adapted in such a way as to ensure the profitability but also the competitiveness.

d) Liabilities Policy

During the year 2020, the company's policy of repaying liabilities within a reasonable period of time not exceeding 60 days remained stable.

e) Transactions between related parties

The most important transactions took place between the company and related parties for the year 1/1 / 2020-31 / 12/2020 are shown in the following table:

	31/12/2020	**31/12/2019**
Services from the connected entities	149.425,00	0,00
Sales to the connected parts-entities	597.465,40	704.287,10
Receivables from the connected entities	1.250,10	241.607,10
Obligations to the connected entities	72.109,16	24.705,67

f) Labor Issues

Geotest CH. CHIONIS CONSULTING ENGINEERS SA manages human resources issues impartially and ensures that every employee, regardless of the position holds in the company, is treated fairly and without discrimination. The formation of the corporate culture has the stigma of its own people. From the first stages of operation in Geotest CH. CHIONIS CONSULTING ENGINEERS SA the continuous investment in human was recognized as a key determining factor of growth. The company pursues a policy of equal opportunities for employees, respects their rights and their freedom of association, applies the rules of health and safety and strictly adheres to employment contracts. It has an occupational physician and a safety technician examining all staff with periodic medical examinations. The company, having invested in safety issues, managed to eliminate accidents in the sensitive area of above-ground and underground activities, managing to minimize downtime (Lost Time Injury). In addition, it operates in accordance with the Employee Health and Safety Management System in accordance with OHSAS 18001: 2007.

g) Environmental Issues

The company strictly follows the policy of zero environmental footprint, perfectly adapting to the instructions of the environmental impact study of each project.

With the main goal of minimizing the impact of drilling activities on the natural environment, environmental protection and risk control policies are implemented which are the basis for an integrated and effective system of practices and methods of sustainable environmental management. The company holds an ISO environmental management according to the standard EN ISO 14001: 2015.

h) Activity of the company in the field of research and development

Recognizing the essential contribution of technological research and innovation in the drilling and mining activity, the company interconnects the scientific research with its provided services. In this context, it has developed close cooperation with research institutes and Universities. Specifically, the company joined the program Research Creating Innovate (approval decision number TEYK 185) in which it collaborates with the National Technical University of Athnes and the Technical University of Patras and provides the opportunity to develop innovative technical applications that can be integrated into technical geology.

i) Information referring to the acquisition of own shares as provided in paragraph 9 of article 16 of Codified Law 2190/1920 (case c of paragraph 3 of article 43a of law 2190/1920).

No "own shares" were acquired during the year 2020.

j) Predicted development of the company's activities

The outlook for the year 2021 is expected to be extremely constructive for the company despite the difficulties caused by the COVID-19 pandemic. It is estimated a significant increase in turnover and increase in total revenues due to the start of new projects in the mining sector in Greece and abroad.

Athens 21 October 2021

CEO and Dean of the Board	CFO
Ch. Chionis	V. Kappos

Χ ΧΙΩΝΗΣ ΣΥΜΒΟΥΛΟΙ ΜΗΧΑΝΙΚΟΙ Α.Ε.			
C CHIONIS CONSULTING ENGINEERS S.A.			
6th Financial Statement Period (01/01/2020 - 31/12/2020)			
General Commercial Registry No: 047868825000			
BALANCE SHEET in purchase cost - ammoynt in Euros			
	Det.	2020	2019
ASSETS			
Non- Current Assets			
Tangible Assets			
Properties	1	203.188,54	211.070,38
Machinery and equipment	1	1.791.256,84	1.319.161,13
Other Equipment	1	432.774,63	351.262,90
Total Tangible Assets		**2.427.220,01**	**1.881.494,41**
Intangible Assets			
Other Inangible Assets	1	22.042,98	23.363,44
Total Intangible Assets		**22.042,98**	**23.363,44**
Financial Assets			
Other Financial Assets	4	45.933,90	35.058,13
Total Financial Assets		**45.933,90**	**35.058,13**
Total Non - Current Assets		**2.495.196,89**	**1.939.915,98**
Current Assets			
Stocks	5a	0,00	0,00
Raw and Various Materials	5b	0,00	0,00
financial data and advances			
Trade Receivables	5c	3.022.434,49	1.952.392,40
Other Requirments	5c	248.600,12	220.093,55
Prepaid Expenses	5c	199.160,26	119.361,47
Other Financial Assets	5c	983.238,99	470.534,38
Cash and Cash Equivalents	5c	847.863,79	464.593,28
Total		**5.301.297,65**	**3.226.975,08**
total current assets		**5.301.297,65**	**3.226.975,08**
total assets		**7.796.494,54**	**5.166.891,06**
Equity			
Contributed Capital			
Capital	6	356.410,00	356.410,00
Total Contributed Capital		**356.410,00**	**356.410,00**
Reserves and retained earnings			
Securities and participations value adjustments		0,00	
Charter-stipulated reserves	6	62.176,84	33.255,06
results in new	6	2.254.797,82	1.382.617,10
Total Reserves and Retained Earnings		**2.316.974,66**	**1.415.872,16**
Total Equity		**2.673.384,66**	**1.772.282,16**
Obligations			
Obligations		0,00	0,00
Total Obligations		**0,00**	**0,00**
Long - Term Liabilities			
liabilities (Leasing)		720.665,26	714.842,51
Bond loans		942.100,00	
tax obligations		349.866,70	397.801,23
total long-term liabilities		**2.012.631,96**	**1.112.643,74**
Short - Term Liabilities			
Short-term part of long-term (LEASING)		480.703,29	
Bank Loans		317.042,43	129.403,48
Part of Short - Term Loans	10	56.000,00	52.604,46
Trade Payables	10	891.072,10	1.276.572,39
Dividends payable		38.847,11	
Income Tax	10	10.585,23	40.740,83
Other Taxes and Fees	10	547.140,74	480.391,35
Social Security Administration	10	358.546,17	289.326,74
Other liabilities	10	258.229,37	12.925,91
accrued income		152.311,48	
Total		**3.110.477,92**	**2.281.965,16**
Total Liabilities		**5.123.109,88**	**3.394.608,90**
total net worth, provisions and liabilities		**7.796.494,54**	**5.166.891,06**

Dean of the Board and CEO	THE CHIEF ACCOUNTANT	MEMBER OF THE BOARD
Ch. Chionis	V. Kappos	J. Kampanelis
Α.Δ.Τ. ΑΚ 517731	Α.Δ.Τ. ΑΕ 612187	Α.Δ.Τ. Ρ 523924

X ΧΙΩΝΗΣ ΣΥΜΒΟΥΛΟΙ ΜΗΧΑΝΙΚΟΙ Α.Ε			
C CHIONIS CONSULTING ENGINEERS S.A.			
INCOME STATEMENT 31st DECEMBER 2020			
01 JANUARY 2020 - 31 DECEMBER 2020			
	Σημ.	2020	2019
Net Turnover	12	6.030.109,68	5.214.340,26
Cost Of Sales	15	-4.267.296,68	-4.137.414,97
Gross Operating Result		**1.762.813,00**	**1.076.925,29**
Other Operating Income			
Other Operating Income	**13**	208.701,62	179.579,39
Administrative Expenses	16	-292.448,36	-264.348,89
Distribution Expenses	17	-300.109,09	-247.338,69
Other Expenses & Losses		-164.401,04	-49.515,81
Gains and Losses on Disposal of Non-Current Assets		0,00	0,00
Gains and Losses on Disposal of Non-Current Assets			
Other revenues & earns		93.679,09	88.657,60
Results Before Interest & Taxation		**1.308.235,22**	**783.958,89**
Credit Interest and Related Income		674,77	38.893,39
Dept Charges and Related Expenses		-100.796,51	-61.776,75
Results Before Taxation		**1.208.113,48**	**761.075,53**
Income Tax		-207.010,99	-182.639,85
Results After Taxesς		**1.001.102,49**	**578.435,68**

Dean of the Board and CEO	CHIEF ACCOUNTANT	MEMBER OF THE BOARD
Ch. Chionis	Vas. Kappos	J. Kampanelis
Α.Δ.Τ.ΑΚ517731	Α.Δ.Τ. ΑΕ612187	Α.Δ.Τ Ρ 523924