

Announcement of the Executive Committee of TMEDE

Annual Report on Financial Statements during TMEDE fourth operating period, from 01/01/2020 to 31/12/2020, according to the International Financial Reporting Standards

The fourth annual report on financial statements for TMEDE operating period from 01/01/2020 to 31/12/2020 has been announced, following the completion of the Independent Certified Public Accountants audit and the issuance of the respective Unqualified Opinion Independent Auditor's Report.

In compliance with its statutory provisions and applying the International Financial Reporting Standards, TMEDE fourth operating year from 01/01/2020 to 31/12/2020, reflects its ongoing growth, as a result of expanding its turnover in line with activating positive results.

Within the annual period, defined by limitation of economic activity, due to the emergency caused by COVID-19, TMEDE increased its revenue by 7.31%, significantly expanded its operations and shielded its balance sheet with new funds, while making strong provisions in order to cover future risks.

As an active and pioneering member of the European Association of Guarantee Institutions (AECM) and through creative collaboration with the supervising Ministry of Labor and Social Affairs, as well as with the Ministries of Infrastructure - Transport and Development, as well as with the Hellenic Development Bank (HDB), TMEDE, developing a coherent planning and determination and achieving its business objectives, enters a new dynamic era, expanding its credit and development role.

It is thus confirmed, for the fourth consecutive year, that TMEDE is an effective and vital Institution for the Technical World and a dynamic growth multiplier for the Greek Economy.

In particular, TMEDE:

- Achieved a 7.31% increase in revenues compared to the fiscal year 2019, which should be taken into account in line with the fact that TMEDE took creditor support measures, reducing the Good Performance Letters of Guarantee commission amount by 30% for the three-month period 01/07/2020 - 30/09/2020.
- Increased Earnings Before Interest, Tax, Depreciation and Amortization by 21.33%, compared to the previous year.
- Despite the pandemic, kept the issuance of new Letters of Guarantee at the same level. It is worth noting that the issuance of the new Good Performance Letters of Guarantee, which will significantly affect the results of the following years, is increased by 3%, maintaining the upward trend of the previous years. The Letters of Guarantee pertain to small and medium-sized contractors and design companies, individuals, engineers and/or scientists, researchers - contractors of works of public interest.

- Further shielded its balance sheet, as the results for 2020 have been burdened with additional provisions of € 1.4 million (1.0 million provisions according to IFRS 9 and 0.4 million for pending court cases). At the reporting date, the total provisions and contingent liabilities incurred by TMEDE for the forfeiture of Letters of Guarantee amounted to € 24.9 million, including the required provisions under IFRS 9.

It should be additionally noted that:

- Net results after tax for the year recorded profit of € 4.86 million. Due to the financial and stock market uncertainty, prevailing due to the pandemic, the financial statements for FY 2020 were adversely affected by valuations of securities included in the Fund's commercial portfolio therefore, profit after tax presented a decrease of 29.48%, on a comparable basis. It is emphasized that within the first months of 2021, in combination with the gradual return of the economy to positive growth rates, the aforementioned adverse effect has already been reversed.
- The Fund's capital stood at € 181.5 million compared to € 143.5 million, following the transfer of e-EFKA assets, amounting to € 38.00 million, to the Fund within 2020, thus increasing its capital by 26, 5%. The robust capital base ensures the Fund's development role through uninterrupted operation of the Institution's Guarantee and Credit Segments, as well as the possibility of expanding its operations in order to strengthen small and medium enterprises, freelancers and Greek scientists.
- In 2020, the Fund's equity amounted to € 216.6 million compared to € 185.3 million, according to the financial statements for 2019. Changes in equity by 16.9% or by € 31.3 million reflect the Fund's ability to respond consistently, even in demanding times.

In addition, within 2020 and in the midst of an unprecedented pandemic, the Fund:

- Decreased the Good Performance Letters of Guarantee amount of commissions by 30%, for the quarter 01/07/2020 - 30/09/2020.
- Extended the Group Insurance Contract of its creditors - members, offering new health insurance benefits, without any additional charge.
- Acquired all AtticaBank Properties SA shares, with the objective of creating new dynamic business opportunities. The contribution of AtticaBank Properties SA to the consolidated result of the year stood at € 0.15 million.
- Received two significant certifications from TÜV HELLAS:
 - ISO 37001: 2016 for the Anti-Corruption Management System and
 - ISO 19600: 2014 for the Compliance Management System.
- Secured a European funding of € 700,000 in order to expand its digital services.
- Increased its participating interest in the shareholder structure of Attica Bank ATE by 13.82%, reaching 46.32%, following evaluation and approval of BoG and assent of the ECB and the corresponding proposal of SSM.
- Appointed, through a tender procedure, a special independent investment consultant and an independent strategic placement consultant, in the context of active utilization of its securities portfolio, while the appointment procedure of the separate independent administrators is in progress.
- Submitted a proposal to the BoG on establishing a microfinance company and obtaining the relevant operating license. The application is at the final stage of evaluation.

- Conducted the first two payments of 2,5‰ resource to the accounts of the T.E. Civil Servants Engineers beneficiaries.
- Completed the transfer of all real estate items, which had come to e-EFKA from the former TSMEDE / ETAA, while the lawsuit of the Fund amounting to € 7.5 million is in progress for the crucial issue of the additional collateral of letters of guarantee, issued until 31/12/2016 by the former TSMEDE / ETAA.

In addition, in 2021, continuing its operations for the benefit of its members, the Fund proceeded with the following actions:

- Decreased, once again, the Good Performance Letters of Guarantee amount of commissions by 30% for the quarter 01/01/2021 - 31/03/2021.
- Conducted the third payment of 2,5‰ resource to the accounts of the T.E. Civil Servants Engineers beneficiaries.
- Signed a Memorandum of Understanding (MoU) with the Hellenic Development Bank, in order to facilitate the access of engineers, designers, manufacturers and freelance scientists, as well as small and medium enterprises to sources of financing in combination with the provision of consulting services .
- Ensured the growth of AtticaBank Properties SA, as its 100% shareholder, implementing a new business plan and realizing a new forward-looking investment plan of € 0.50 million for 2021, with the objective of accelerating digital transformation, planning and developing new services, strengthening human resources, as well as upgrading all its infrastructures.

Finally, in the context of Corporate Social Responsibility (CSR) actions and in compliance with the standards of Environmental and Social Governance (ESGs), TMEDE took action to alleviate the consequences of the pandemic as well as the earthquake that struck Thessaly. In particular, TMEDE proceeded with donations of:

- Five houses for hosting an equal number of earthquake-affected families in Mesochori at the Region of Thessaly, in collaboration with Attica Bank
- Four modern monitors and a central station at the General Hospital of Messinia - Hospital Unit of Kalamata.
- Four modern paraclinical monitors to monitor the vital functions of patients at the "Papageorgiou" Hospital in Thessaloniki.

At the time of pandemic and banking suffocation, observing all its statutory procedures and receiving all the additional guarantees in order to decrease the risk, TMEDE unwaveringly performs its guarantee and credit role on a 24-hour basis. It continues to expand the objectives and scope of its operation, being a solid development pillar for the Technical World and the real economy.