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Other Inside Information (Substantial Other Inside Information (Substantial
Information/ Major Development)

SFS GROUP PUBLIC COMPANY LTD

SFS

Financial statement of SFS Group Public Company Limited

Announcement

Attachment:

1. **Announcement**

Regulated

Publication Date: 23/06/2021

22nd of June 2021

Cyprus Stock Exchange
Nicosia

ANNOUNCEMENT

Subject: Financial statements of SFS Group Public Company Limited

The Management of SFS Group Public Company Limited (the 'Company'), would like to inform the investing public that the publication of the Annual Financial Report for the year ended 31.12.2019 (with consolidated and separate audited accounts) and the Interim Financial Report for the six-month period ended 30.6.2020 (consolidated, unaudited results), will not take place by August 2021, as announced earlier this year that it was expected to take place.

The reasons for the non-publication of the above financial statements as originally expected, are the following:

During the first half of 2020, the Company and some of its subsidiaries suspended their operations for a significant period due to the pandemic caused by Covid19 and the restrictive measures imposed to address and curb the unprecedented public-health crisis. Further, as announced in relation to the Company's Interim Financial Report, the reasons for the delay in the publication of the financial statements were related to the significant uncertainty regarding the preparation, audit and approval of the financial statements of the Company and the Company's Group.

With the gradual lifting of the restrictive measures and the incremental resumption of operations of the Company and its subsidiaries and the completion of the independent audit of the auditors for the financial year ended 31.12.2019, the independent auditors of the Company and the Group (the 'Auditors'), informed the Company that they will not be able to express an opinion in relation to these annual financial statements, claiming uncertainty regarding the outcome of the appeal of a Company's subsidiary, in a civil lawsuit. In relation to this case, in 2019 a District Court ruled against the Company's subsidiary and some of its officials, awarding damages against the subsidiary and other defendants amounting to approximately € 7.7 million. The Group's subsidiary as well as the defendant officials appealed against the decision.

The appeal is based on the position of the legal advisors of the subsidiary, that the above First Instance decision will be overturned on the basis of a legal finding of miscarriage of justice and/or other grounds of appeal which are considered valid. In a communication that the Company had with its Auditors, the latter informed the Company that despite having all the data and information required in relation to this legal case, and despite of how it will be handled and whether there will be any provision in the accounts in relation to the civil lawsuit, they are not in a position to express an opinion in relation to the audit of

the financial statements for the year ended 31.12.2019.

The Company considers that the publication of the annual financial statements without the expression of opinion by the Auditors, maintains and promotes uncertainty and may provide misleading indications of the financial position, risks, uncertainties and prospects of the Company and of the Company Group.

In the light of the above, the Company, in cooperation with its subsidiary, requested from the lawyers of its subsidiary to promote the hearing of the appeal as soon as possible, within the framework of the court rules.

The Company had valid indications that the appeal of its subsidiary would be adjudicated in the first months of 2021, which would provide it with time for the audit and publication of its financial statements until August 2021, as announced earlier this year. Unfortunately, this did not take place. Therefore, before the hearing and the decision on the appeal, it is impossible to have audited financial statements portraying a fair view of the Company.

Consequently, the Company's annual financial statements for the year 2020 have also not been published, and their audit and publication is dependent upon the same developments stated above.

The Company will keep the investing public informed regarding any significant developments in relation to the above.

Philippos X. Larkos
Vice Chairman & CFO

CC.: Cyprus Securities and Exchange Commission