INTRACOM DEFENSE SINGLE MEMBER S.A.

Financial Statements
for the year ended December 31, 2020
in accordance with International Financial Reporting Standards

General Electronic Commercial Registry (G.E.MI.) No.: 006657001000

It is certified that the accompanying Financial Statements are those which were approved by the Board of Directors of "INTRACOM DEFENSE SINGLE MEMBER S.A." on 23 April 2021 and have been posted on the web site at the address http://www.intracomdefense.com

THE CHAIRMAN OF THE BoD	THE VICE CHAIRMAN OF THE BoD
D. CH. KLONIS ID No. AK 121708 / 07.10.2011	G.A. ANNINOS ID No AK 760212 / 28.08.2013

THE MANAGING DIRECTOR	THE CHIEF FINANCIAL MANAGER
G. I. TROULLINOS ID. No. S 681748 / 21.07.1999	K. D. PALMOS ID. No. AK 829005 / 11.02.2014 E.C.G. LICENCE No. 16941/A' CLASS

THE HEAD OF THE ACCOUNTING DEPT.

E. I. KOUFOPOULOS
ID. No. AM 213304 / 19.09.2015
E.C.G. LICENCE 5271/A' CLASS

Contents

A) Annual Report of the Board of Directors

of the company
"INTRACOM DEFENSE SINGLE MEMBER S.A."
DISTINCTIVE NAME: "IDE"
On the Financial Statements
For the year from 1 January to 31 December 2020

To the Annual General Meeting of Shareholders

Dear Shareholders,

We submit for approval the financial statements of the Company for the year from 1 January to 31 December 2020.

The financial statements for the present year, as also those for the previous years have been prepared in accordance with International Financial Reporting Standards, as adopted by the European Union.

This Annual Report of the Board of Directors was prepared in accordance with the provisions of article 150 of L. 4548/2018.

FINANCIAL RESULTS – ACTIVITY REVIEW

The company sales in fiscal year 2020, amounted to € 58.946 thousand against € 46.184 thousand in fiscal year 2019 increased by 27,6%.

The company's profits before income tax, financing, investing results and total depreciation (EBITDA), amounted to € 4.311 thousand, compared to profit of € 3.202 thousand in 2019, which is an increase of 34,6%.

In terms of income before taxes (EBT), the Company recorded profit of € 1.384 thousand compared to profit of € 1.431 thousand in year 2019.

The after tax profits amounted to € 990 thousand compared to profit of € 799 thousand in the prior year increased by 23,9%.

These changes for the year 2020 and 2019 are presented in the following table:

Amounts in euro	**1/1-31/12/2020**	**1/1-31/12/2019**	**Div(%)**
Sales	58.946	46.184	27,6%
Gross profit	15.668	13.589	15,3%
%	*26,58%*	*29,42%*	
Earnings Before Interest, Taxes, Depreciation & Amortazation (EBITDA)	4.311	3.202	34,6%
%	*7,31%*	*6,93%*	
Earnings Before Interest, Taxes (EBIT)	2.844	1.791	58,7%
%	*4,82%*	*3,88%*	
Earnings Before Taxes (EBT)	1.384	1.431	-3,3%
%	*2,35%*	*3,10%*	
Earnings After Taxes (EAT)	990	799	23,9%
%	*1,68%*	*1,73%*	

The inventories amounted to € 30.056 thousand compared to € 25.901 thousand in the previous year, increased by 16,0%.

Trade receivables and other non-current assets in fiscal year 2020 amounted to € 26.687 thousand of which € 16.209 thousand relates to advances paid by the company to suppliers.

Total liabilities amounted to € 38.545 thousand, of which the largest part of € 31.598 thousand, concerns customers advance payments in the frame of projects implementation.

The administrative expenses amounted to € 3.850 thousand compared to € 3.636 increased by 5,9%.

The company continues to have zero bank lending.

Cash and cash equivalents at the end of the year amounted to € 21.089 thousand compared to € 5.480 thousand at the end of the previous year.

The equity of the Company at the end of the year 2020 amounted to € 67.639 thousand against € 67.406 in the year 2019.

The total Assets amounted in 2020 to € 115.004 thousand against € 95.748 in the year 2019, increased by 20,1%.

The basic financial ratios that depict the financial position of the Company in a static format are as follows:

Ratios	31/12/2020	31/12/2019
a.Financial Structure Ratios		
Current Assets / Total Assets	63,3%	61,4%
Total Equity / Total Liabilities	142,8%	237,8%
Total Equity / Fixed Assets	160,2%	182,2%
Current Assets / Short- term Liabilites	221,6%	247,9%
b. Profitability Ratios		
Net Profit / Sales	1,7%	1,7%
Gross Profit / Sales	26,6%	29,4%
Sales / Total Equity	87,1%	68,5%

MAIN EVENTS

May 2020: IDE extends its cooperation with the German Company Diehl Defence, by signing a contract of 1,5 € million value for the series production of crucial electronic missile components of the Ground Based Air Defence System IRIS-T SLM (Surface-Launched Medium range).

July 2020: IDE signed a contract with Israel Aerospace Industries (IAI) for the supply of a custom Hybrid Energy Supply System, based on the Hybrid Electric Power Systems (HEPS®) technology. The contract value is up to € 1.2 million. IAI has selected IDE's HEPS® technology to be incorporated into their Systems, due to its operational advantages related to power autonomy, efficiency and safety.

July 2020: IDE extends its cooperation with US based Raytheon Technologies in the manufacturing of subsystems for the PATRIOT air defense system, as well as the supply of spare parts & engineering services, with the signature of multiple new contracts. The new works assignment to IDE is worth of USD 58.6 million is scheduled to be completed within 2022 and extends even further the long lasting and very successful cooperation of the two companies in the coproduction and support of PATRIOT systems worldwide. In the framework of this successful cooperation, IDE was honored with a performance award from Raytheon’s Integrated Defense Systems for its exceptional performance, quality and on-time deliveries. Raytheon’s Integrated Defense Systems business has instituted the annual Supplier Excellence Awards program, to recognize suppliers with outstanding service and partnership in exceeding customer requirements. Award candidates are judged on certain criteria, including overall quality and on-time delivery. IDE was one of the 34 companies recognized by Raytheon’s Integrated Defense Systems business for 3-Star honors.

July 2020: IDE has signed a 0,9 million Euro contract with Krauss Maffei Wegmann for the supply of WiSPR systems. This latest contract concerns an extension of supply for their use by the German Armed Forces. The contract also incorporates WiSPR modular training stations, to facilitate hands-on personnel training on vehicular system configurations.

September 2020: IDE signed a 0,5 million Euro contract with the Hellenic Navy for the supply of integrated Surveillance Stations with Long Range Radars and other sensors that enhance the operational effectiveness and rapid reaction capability of the Hellenic Navy Command.

November 2020: IDE signed with the European Commission, agreement for the 9,7 million € funding of the LOTUS – Low Observable Tactical Unmanned System program, approved last July in the framework of EDIDP (European Defense Industrial Development Program). The new European Tactical UAV (Unmanned Aerial Vehicle) is specially designed for the effective border surveillance and reconnaissance of threats and high value targets. The consortium of the LOTUS program is coordinated by IDE and comprises of industrial, scientific and military entities from Greece (IDE, Aristotle University of Thessaloniki, ALTUS, CFT, University of Patras and the Hellenic Air Force Telecommunications and Electronics Depot), Cyprus (SignalGenerix, Cyric and Geoimaging), Spain (Embention) and the Netherlands (RHEA Group).

November 2020: IDE has undertaken a 3,9 million Euros project under an agreement with the European Commission for the SMOTANET (“Software Defined Mobile Ad-Hoc Tactical Networks”) innovative program following the conclusion of a competitive evaluation process. The innovation of the project lies in the combined use at a tactical level of three different technologies: Software Defined Radios, Mobile Ad-hoc Networks (MANET) and Software Defined Networking for the first time in Europe. The program targets the development of an advanced communications management system, for use in tactical communications on-the-move. IDE leads the SMOTANET consortium, in cooperation with partners from Greece (GridNet, AUEB), Cyprus (SignalGenerix) and Poland (iTTi), and with the support of the Ministries of Defense of Greece and Cyprus.

The new contracts signed by the Company in 2020 amounted to € 67,3 mil.

GOALS – PERSPECTIVES

The company has adopted a specific policy over the last years and consistently works toward the following objectives:

- Boosting its exports to the US by joining the Patriot anti-aircraft missile program and other US defense international-market programs.
- Entering new markets with innovative products in areas such as Asia, South America and Africa.
- Expanding its partnership with large defense equipment manufacturers (System Integrators) for joining international product sale programs and achieving integration of IDE's telecommunication products into the integrated solutions offered as well as the joint promotions in third countries.
- Utilizing the existing know-how in the fields of Surveillance and Security and joining pertinent European programs (Horizon 2020, Frontex).
- Promoting Hybrid Defense Energy Systems with a view to introducing new innovative products.
- Expanding its activities further, following the establishment and implementation of the National Defense Industrial Strategy.
- Expanding the services provided for supporting the weapon systems of the Armed Forces.

On 31.12.2020, the backlog of the Company's agreements was worth a total of €115 mil.

RESEARCH AND DEVELOPMENT ACTIVITIES

The company has been consistently investing its funds in research for developing new, innovative products and integrated solutions. The department of research and development is run by highly experienced scientific staff who specialize in the fields of telecommunication, engineering and IT.

Innovation is at the center of the Company's growth model and is consistently supported through significant investments in research and development as well as multi-faceted partnerships with educational institutions and research groups.

Driven by market trends and aiming towards introducing new technologies, the Research & Development Department deals with designing and developing new differentiated products as well as improving existing ones with competitive innovative features.

In this context, the main focus areas prioritized by the Company are Broadband systems, Hybrid power and electricity storage systems, Real-time Data Processing and Geographic Display for Surveillance and Monitoring purposes as well as missile Electronic subsystems.

RISKS AND UNCERTAINTIES

Risks associated with the company's activity

Defense market trend

According to the Stockholm International Peace Research Institute (SIPRI), global defense spending trends in 2020 were as follows:

Global defense spending for 2020 is estimated to have been $ 1.981 billion, equivalent to 2,4% of the Global Gross Domestic Product (GDP), representing an increase of 2,6% against 2019.

Following 13 consecutive years of successive increases, from 1998 to 2011, and relatively unchanged spending from 2012 to 2016, global defense spending rose in the years 2017, 2018, 2019 and 2020.

The largest part of this expenditure over the last years is spent mainly by fifteen (15) particular countries with yearly ranking differentiations only. In 2020, these countries spent $ 1.603 billion on defense i.e. 81% of global defense spending.

In 2020, the US, which is at the top of the world military spending list, spent a total of $ 778 billion, which accounts for more than one third (2020: 39%) of global spending, and 3 times higher than expenditures of China ($252 billion), which comes second in the world ranking. The remaining 13 countries listed in military spending ranking order for 2020 are: India ($72,9 billion), Russia ($61,7 billion), the United Kingdom ($59,2 billion) Saudi Arabia ($57,5 billion), Germany ($52,8 billion), France ($52,7 billion), Japan ($49,1 billion), South Korea ($45,7 billion), Italy ($28,9 billion), Australia ($27,5 billion), Canada ($22,8 billion) Israel ($21,7 billion) and Brazil ($19,7 billion).

Six of the 15 abovementioned countries are members of the North Atlantic Treaty Organization (NATO). These six countries spent in 2020 a total of $ 995 billion, amount which accounts for 50% of global military expenditure. Total spending by all NATO members (29 countries) reached $1.103 billion in 2020.

Regionally, the largest percentage increases in military spending in 2020 compared to the previous year (2019) were made in Central Europe, Oceania, North Africa and South East Asia. Five Middle East countries showed very high military spending as a percentage of the Gross Domestic Product, between 5% and 11% of GDP.

On a country level, the highest rate of increase between 2019 and 2020 among the top fifteen military spenders was made by Italy (7,5 per cent) followed by Australia (5,9 per cent) eleventh and twelfth country in the rankings respectively.

Greece is placed 38th in the SIPRI rankings having $5.3 billion military spending in 2020. This accounts for a 2,8 per cent share of GDP.

Financial Risks

Foreign Exchange Risk

The Company’s foreign exchange risk is considered to be relatively limited because in most cases where there are receivables in foreign currency under a contract, the corresponding liabilities in the same currency also exist. Contracts denominated in a foreign currency are almost entirely in USD, as are the corresponding liabilities.

As a rule physical hedging of foreign exchange risk is employed. If that is not satisfactory due to particularly high liabilities in a foreign currency, the option to use foreign exchange risk hedging mechanisms, via suitable baking products or using a foreign currency loan for the same amount, is examined on a case-by-case basis.

As for cash held in foreign currencies, the Company’s policy is to hold the minimum amount required to cover its short-term liabilities in that currency.

Cash flow and fair value interest rate risk

The company is in minimal exposure to interest rate risk, due to the eliminated borrowings and the short-term horizon of the cash deposits.

Credit risk

The Company's commercial transactions are almost entirely entered into with reliable public and private sector organisations. In many cases there is also a long-term satisfactory trading history. However, in all events -given conditions on the Greek market- the company monitor all customer receivables carefully and if needed promptly take action in or out of court to ensure the receivables can be collected, thereby minimising any credit risk. Consequently the risk of bad debt is considered to be particularly limited.

As far as credit risk associated with the placement of cash assets is concerned, note that the Company only collaborates with financial organisations that have a high credit rating.

Liquidity risk

The Company holds sufficient liquidity in cash and cash equivalents and has the ability to use available undrawn borrowing facilities.

ENVIRONMENTAL ISUESS

IDE as well as Intracom Holdings Group places emphasis on the commitment to environmental responsibility.

The company is committed to maintaining an environmentally sensitive and accountable position and managing its activities accordingly by applying preventive measures to protect the environment and minimizing any negative environmental impacts that may arise.

To this end, the company has developed and implemented Environmental Management System (EMS) which provide a well-structured approach to environmental issues and ensure the continuous improvement of environmental performance through the introduction of specific environmental objectives and the documentation and monitoring of programs pursuing to achieve these objectives.

The Company promotes the following Environmental Actions:

- Waste management
- Recycling
- Ecological Products Design (eg. Hybrid Energy systems)
- Saving of natural resources (investments in new technologies to reduce energy consumption)

SOCIAL RESPONSIBILITY

The company provides a safe working environment in which non-discriminatory policies are applied and equal opportunities are offered to all employees irrespective of gender, age, and nationality. Furthermore, employee trade union rights are respected, health & safety procedures are faithfully adhered to and open door policies are consistently implemented.

PERSONNEL

The number of company’s employees at 31.12.2020 and 31.12.2019 reached 422 and 417 employees respectively.

Directors’ remuneration and key management compensation amounted to € 1.247.379 in the year 2020 in comparison to € 1.157.369 in the previous year. There were no receivables or payables from or to the management at year end.

OTHER SIGNIFICANT EVENTS

In December 2019, the World Health Organization (WHO) was informed about a number of unknown pneumonia cases, while in January 2020 the Chinese health authorities identified as the cause of these cases a new type of coronavirus, COVID-19. The evolution of the following events, led WHO to declare the new coronavirus outbreak as a global pandemic.

The expansion of the pandemic COVID-19 worldwide as much as in Greece, brought national economies, markets, enterprises and each one of us, facing one of the biggest challenges we have ever dealt with.

Company’s first concern was to safeguard the health of employees and associates, which has been achieved through coordinated effort from all parties involved.

In an entrepreneurial level, following relevant procedure, priority has been placed to the thorough analysis of each activity to identify high risk and high priority issues for the company, and decide on required mitigation actions.

Meanwhile, we immediately proceed to the upgrade of our technological infrastructure, in order to meet teleworking and tele conferencing demands, so as to ensure full operations efficiency amidst the upcoming lockdown.

Today, considering that COVID-19 crisis may not be over yet, we believe that the Company has achieved operational readiness through upgraded procedures and risk management mechanisms and therefore has developed incremental ability to react in a new crisis. In order to respond to the health and consequently the economic aspects of the pandemic, governments, worldwide, have already launched mass vaccination programs to secure the population and build a wall of immunity, which lead to a regularity. On the basis that the pandemic has not yet been fully controlled, combined with the virus mutations, this risk still remains.

The Company has proven its ability to cope with difficulties and grow even during the recent financial crisis. Both on 31.12.2019 and today, the Company’s financial position and liquidity, remain satisfactory.

The situation is being re-evaluated regularly and with due diligence.

Until the date of submission of this report, no other event has occurred that could significantly affect the financial position and progress of the Company.

Dear Shareholders,

As of the income distribution for fiscal year 2020, the Board of Directors proposes to be kept from the net profit (a) the amount of € 52.574,60 for the completion of the statutory capital reserve, (b) to allocate the amount of € 500.000,00 for dividends.

The Board of Directors considers the reported data as a statement of its proceedings and expects that the Annual General Meeting of Shareholders will approve the management according to the company's interests and the financial statements for the year ended on 31/12/2020.

It also expects that the Annual General Meeting of Shareholders by a special resolution will approve the overall management of the Company and will release the Auditors from any liability for the year from 1 January 2020 to 31 December 2020.

In order for the shareholders to be adequately informed, it is stated that the Company has not proceeded to acquisition of treasury shares.

True copy from the minute book of the Board of Directors

Koropi, 23 April 2021

THE MANAGING DIRECTOR (CEO)

GEORGE TROULLINOS

B) Independent Auditor's Report

To the Shareholders of **"INTRACOM DEFENSE SINGLE MEMBER S.A."**

<u>Report on the Audit of the Financial Statements</u>

Opinion

We have audited the accompanying financial statements of INTRACOM DEFENSE SINGLE MEMBER S.A. (the Company), which comprise the balance sheet as at 31 December 2020, the statements of 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 INTRACOM DEFENSE SINGLE MEMBER 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial 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.

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 management 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.

Report on other Legal and Regulatory Requirements

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

a) In our opinion the Board of Directors' Report has been prepared in accordance with the applicable legal requirements of the article 150 of L. 4548/2018 and its content corresponds with the accompanying financial statements for the year ended 31.12.2020.

b) Based on the knowledge we obtained during our audit of INTRACOM DEFENSE SINGLE MEMBER S.A. and its environment, we have not identified any material misstatements in the Board of Directors' Report.

Athens, 24 May 2021

EFTHYMIOS P. TZORTZIS
Certified Public Accountant Auditor
Institute of CPA (SOEL) Reg. No. 42261

SOL S.A.
Member of Crowe Global
3, Fok. Negri Str., 112 57 Athens, Greece
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C) Annual Financial Statements in accordance with IFRS

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Balance Sheet

Amounts in euro	Note	31/12/2020	31/12/2019
ASSETS			
Non-current assets			
Property, plant and equipment	6	29.226.331	29.751.578
Right-of-use assets	7	363.305	272.224
Other intangible assets	8	660.908	331.946
Investment property	9	1.542.217	1.574.595
Deferred income tax assets	10	5.137.203	5.063.926
Trade and other receivables	11	5.284.596	5.030
Total		**42.214.559**	**36.999.299**
Current assets			
Inventories	12	30.055.804	25.901.283
Trade and other receivables	11	21.402.821	26.368.469
Current income tax receivables		241.544	998.806
Cash and cash equivalents	13	21.089.108	5.480.102
Total		**72.789.278**	**58.748.659**
Total assets		**115.003.838**	**95.747.959**
EQUITY			
Share capital	14	52.906.568	52.906.568
Other reserves	15	9.200.460	9.303.296
Retained earnings		5.531.830	5.196.551
Total equity		**67.638.859**	**67.406.415**
LIABILITIES			
Non-current liabilities			
Lease liabilities	7	264.530	153.752
Retirement benefit obligations	16	2.836.348	2.693.649
Government grants	17	3.110.864	0
Long-term provisions for other liabilities and charges	18	465.151	371.292
Trade and other payables	19	7.845.285	1.422.501
Total		**14.522.178**	**4.641.193**
Current Liabilities			
Trade and other payables	19	30.699.680	22.878.000
Lease liabilities	7	103.746	121.651
Government grants	17	1.457.045	212.229
Short-term provisions for other liabilities and charges	18	582.331	488.471
Total		**32.842.801**	**23.700.350**
		0	**0**
Total liabilities		**47.364.979**	**28.341.543**
Total equity and liabilities		**115.003.838**	**95.747.959**

The notes on pages 21 to 56 are an integral part of these financial statements.

Statement of Comprehensive Income

Amounts in euro	Note	1/1-31/12/2020	1/1-31/12/2019
Sales	20	58.946.476	46.184.240
Cost of goods sold	21	(43.278.849)	(32.594.917)
Gross profit		**15.667.627**	**13.589.323**
Selling and research costs	21	(9.131.360)	(8.966.503)
Administrative expenses	21	(3.849.886)	(3.635.806)
Impairment losses on trade receivables and reversals	23	(38.031)	22.163
Other income	24	457.125	906.474
Other gains/(losses) - net	25	(261.895)	(124.361)
Operating profit		**2.843.581**	**1.791.291**
Finance income	26	25.819	62.734
Finance cost	26	(1.485.858)	(423.081)
Finance costs - net	26	**(1.460.039)**	**(360.347)**
Profit before income tax		**1.383.542**	**1.430.944**
Income tax expense	27	(393.887)	(631.968)
Profit after tax for the period		**989.655**	**798.976**
Other comprehensive income:			
Available-for-sale financial assets - Fair value gains			
Actuarial gain/losses	16	(157.212)	(126.982)
Other comprehensive income, net of tax:		**(157.212)**	**(126.982)**
Total comprehensive income for the period		**832.443**	**671.994**
Profit per share			
basic	28	0,0428	0,0346

The notes on pages 21 to 56 are an integral part of these financial statements.

Statement of changes in equity

Amounts in euro	Note	Share capital	Other reserves	Retained earnings / (loss)	Total equity
Balance at 1 January 2019		**52.906.568**	**9.314.601**	**4.513.251**	**66.734.421**
Actuarial gains/ (losses), net of tax	15		(126.982)		(126.982)
Profit for the period		-		798.976	798.976
Total comprehensive income for the period			**(126.982)**	**798.976**	**671.994**
Statutory reserves formation	15	-	115.676	(115.676)	-
Balance at 31 December 2019		**52.906.568**	**9.303.296**	**5.196.551**	**67.406.415**
Balance at 1 January 2020		**52.906.568**	**9.303.296**	**5.196.551**	**67.406.415**
Actuarial gains/ (losses), net of tax	15	-	(157.212)	-	(157.212)
Profit for the period				989.655	989.655
Total comprehensive income for the period			**(157.212)**	**989.655**	**832.443**
Statutory reserves formation	15	-	54.376	(54.376)	-
Dividends		-	-	(600.000)	(600.000)
Balance at 31 December 2020		**52.906.568**	**9.200.460**	**5.531.830**	**67.638.859**

The notes on pages 21 to 56 are an integral part of these financial statements.

Cash flow statement

Amounts in euro	Note	1/1-31/12/2020	1/1-31/12/2019
Cash flows from operating activities			
Cash generated from operations	29	12.805.284	223.838
Interest paid		(279.776)	(576.326)
Income tax paid		339.744	(1.758.861)
Net cash from operating activities		**12.865.251**	**(2.111.349)**
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(474.015)	(477.872)
Purchase of intangible assets	8	(464.111)	(157.982)
Proceeds from sale of property, plant & equipment		4.800	1.000
		25.563	61.982
		(907.763)	**(572.873)**
Cash flows from financing activities			
Dividends paid to group shareholders		(600.000)	-
Government grants received	17	4.636.620	194.906
Principal elements of lease payments	7	(128.818)	(110.653)
Net cash used in financing activities		**3.907.802**	**84.253**
Net (decrease) / increase in cash & cash equivalents		**15.865.291**	**(2.599.969)**
Cash and cash equivalents at beginning of the period		5.480.102	8.036.466
Effects of exchange rate changes on cash and cash equivalents		(256.284)	43.604
Cash and cash equivalents at end of the period	**13**	**21.089.108**	**5.480.102**

The notes on pages 21 to 56 are an integral part of these financial statements.

Notes to the Financial Statements for the year ended December 31, 2020

1. General Information

INTRACOM DEFENSE SINGLE MEMBER S.A. ("Intracom Defense", "the Company") was founded in Greece and operates mainly in the design, development and manufacturing of defense electronic products, systems and applications and the provision of technical support services and maintenance as well as in the provision of safety services.

The company operates in Greece and in foreign countries.

The Company's registered office is at 21 km Markopoulou Ave., Koropi Attikis, Greece. Its website address is www.intracomdefense.com.

The sole shareholder of the Company is "INTRACOM TECHNOLOGIES S.a.r.l." based in Luxembourg. "INTRACOM TECHNOLOGIES S.a.r.l." is 100% subsidiary of "INTRACOM HOLDINGS S.A." with distinctive name "INTRACOM HOLDINGS.

The Company is fully consolidated in the consolidated financial statements of Intracom Holdings. The annual consolidated financial statements of Intracom Holdings SA for the year ended 31 December 2020 have been published on its website at www.intracom.com.

These financial statements have been approved for issue by the Board of Directors on 23 April 2021, and are subject to approval by the Annual General Meeting of the Shareholders.

2. Significant accounting policies

2.1 Basis of preparation

The annual financial statements include the financial statements of the company for the year ended 31 December 2020 and have been prepared in accordance with International Financial Reporting Standards as they have been adopted by the European Union.

The financial statements have been prepared under the historical cost convention and the going concern principle.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Moreover, the use of estimates and assumptions is required that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of preparation of financial statements and the reported income and expense amounts during the reporting period. Although these estimates are based on Management's best possible knowledge with respect to current circumstances and actions, the actual results may eventually differ from these estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4 below.

The accounting policies the Company has followed for the preparation of the annual financial statements for year ended 31 December 2020, are consistent with those described in the published financial statements for the year ended 31 December 2019, after being also taken into consideration the following amendments to standards and the new interpretations, that have been issued by the International Accounting Standards Board (IASB), adopted by the European Union and their application is mandatory for the year ended 31 December 2020.

2.2 New standards, amendments to existing standards and interpretations

2.2.1 New Standards and Amendments Adopted by the Company

The Company adopted certain standards and amendments, compulsorily, for the first time for the fiscal year 2020. The Company has not previously adopted some other standard, interpretation or amendment issued but is not obligatory to be applied for the fiscal year 2020.

The nature and impact of each new standard or amendment related to the Company’s activity is described below.

Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies: Changes in Accounting Estimates and Errors: Definition of Material

The amendments clarify the definition of material and how it should be applied by including in the definition guidance that until now has featured elsewhere in IFRS Standards. In addition, the explanations accompanying the definition have been improved. Finally, the amendments ensure that the definition of material is consistent across all IFRS Standards. The amendments had no impact on the Company's financial statements.

Amendments to References to the Conceptual Framework in IFRS Standards

On March 29, 2018, the International Accounting Standards Board issued amendments to the references in the Conceptual Framework within the International Financial Reporting Standards. The aim of the amendments is to update the existing references, within various standards and interpretations, to previous frameworks with references to the revised Conceptual Framework. The amendments had no impact on the Company's financial statements.

Amendments to IFRS 16 Leases: Covid-19-Related Rent Concessions

In May 2020 the International Accounting Standards Board issued Covid-19-Related Rent Concessions, which amended IFRS 16 Leases. The amendment permitted lessees, as a practical expedient, not to assess whether particular rent concessions occurring as a direct consequence of the covid-19 pandemic are lease modifications and instead to account for those rent concessions as if they are not lease modifications. The amendment did not affect lessors. The amendments had no impact on the Company's financial statements.

Other Amendments

The following amendments, which are mandatory for the current financial year 2020, are not related to the Company's operations and have no impact on the financial statements:

- IFRS 3 Business Combinations (amendment): Definition of a Business

- IFRS 9, IAS 39 and IFRS 7 (Amendments): Interest rate benchmark reform

2.2.2 Standards and Interpretations mandatory for subsequent periods that have not been earlier applied by the Company

The following new standards, amendments of standards and interpretations have been issued, are related to the Company's activity but are compulsory for later periods. The Company has not previously applied the following standards and is studying its impact on the financial statements

Amendments to IAS 1 Presentation of Financial Statements: Classification of liabilities as current or non-current

The amendment clarifies that liabilities are classified as either current or non-current depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date. The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability. The amendments are effective to annual periods beginning on or after 1 January 2022 and are not expected to have an impact on the Company's financial statements.

Amendments to IAS 1 Presentation of Financial Statements: Disclosure of Accounting policies

The International Accounting Standards Board amended IAS 1 Presentation of Financial Statements to require entities to disclose their material accounting policy information rather than their significant accounting policies. The amendments are effective to annual periods beginning on or after 1 January 2023 and will not affect the Company's financial statements.

Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates

The amendments introduced the definition of accounting estimates and included other amendments to IAS 8 to help entities distinguish changes in accounting estimates from changes in accounting policies. The amendments are effective to annual periods beginning on or after 1 January 2023 and will not affect the Company's financial statements.

Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of IAS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The amendments are effective to annual periods beginning on or after 1 January 2023 and will not affect the Company's financial statements.

Amendments to IAS 16 Property, Plant and Equipment: Proceeds before Intended Use

The amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss. The amendments are effective to annual periods beginning on or after 1 January 2022 and will not affect the Company's financial statements.

Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts—Cost of Fulfilling a Contract

The amendments specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. The amendments are effective to annual periods beginning on or after 1 January 2022 and will not affect the Company's financial statements.

Annual Improvements 2018-2020

Annual Improvements to IFRS standards 2018 – 2020 were issued by the IASB on 28 Mai 2020, are applicable for annual periods beginning on or after 1 January 2022. These amendments will not affect the Company's financial statements.

-IFRS 9 Financial Instruments

The amendment clarifies the fees a company includes in assessing the terms of a new or modified financial liability to determine whether to derecognise a financial liability.

-IFRS 16 Leases

The amendment removes the potential for confusion regarding lease incentives by amending an Illustrative Example accompanying IFRS 16.

Other Amendments

The following amendments and the new standards, which are mandatory in subsequent periods are not relevant to the Company's operations and will not have an impact on the financial statements:

- IFRS 17 Insurance contracts (effective for annual periods beginning on or after 1 January 2023)

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform-Phase 2 (effective for annual periods beginning on or after 1 January 2021)

- Amendments to IFRS 4 Insurance Contracts – deferral of IFRS19 (effective for annual periods beginning on or after 1 January 2021)

2.3 Summary of significant accounting policies

2.3.1 Foreign Currency Translation

(a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (‘the functional currency’). The financial statements are presented in Euros, which is the Company’s functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions during the year and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

Receiving an advance or paying in foreign currency respectively leads to the recognition of a non-monetary item (asset or liability) that is not measured at the balance sheet date. The transaction date for the purposes of initial recognition of the related expense or revenue assets is the date of payment or collection of the relevant advance.

2.3.2 Revenue from Contracts with Customers

The Company recognizes revenue from a contract with a customer when (or as) a performance obligation is satisfied by transferring a promised good or service (i.e., an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset. The customer obtains control of a good or a service when it has the ability to direct the use of, and obtain substantially all of the remaining benefits from it.

As revenue shall be defined the amount of consideration to which the company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. Variable amounts are included in the consideration and are calculated using either the "Expected Value" method or the "Most Likely Amount" method.

The performance obligation of the contract can be fulfilled either at a point in time or over time.

The performance obligation to sell a good or provide a service is satisfied either at a point in time or over time when:

i) the customer simultaneously receives and consumes the benefit provided by the entity’s performance as the entity performs,

ii) the entity’s performance creates or enhances an asset that the customer controls as the asset is created or enhanced,

iii) the entity’s performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

When the company performs the contractual obligations by transferring goods or services to a customer, before the customer pays consideration or before payment is due, the company presents the contract as a contract asset. A contract asset is an entity’s right to consideration in exchange for goods or services that the entity has transferred to a customer.

When the customer pays consideration or the company has the unconditional right to receive consideration before the Company’s contractual obligations for goods or service transfers then the company presents the contract as contractual liability. The contract liability is derecognized when the contractual obligations are fulfilled and the revenue is recorded in the statement of comprehensive income.

(a) Sales of goods

Revenue from the sale of the Company's assets includes the construction of parts of electronic units mainly related to missile and telecommunication systems and the construction of integrated electromechanical missile systems, and in the majority include a single implementation obligation. Revenue from the sale of equipment is recognized at a point in time when the asset is transferred to the customer, in particular when the goods are transferred to and accepted by the customer.

i) Variable exchange

The Company's contracts with its customers do not include variable remuneration elements due to discounts, price subsidies, refunds, credits, price reductions, incentives, additional performance benefits, sanctions or other similar items.

ii) Warranties

The Company provides two-year repair guarantees for all products sold, in line with industry practice. The guarantees provided by the Company are assurances that the product meets the assurance-type warranties in accordance with IFRS 15 that the Company accounts for in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and are included in the item "Forecasts "(note 18).

iii) Contractual assets and liabilities

The contractual assets of the Company relate mainly to accrued income and are included in the item "Trade and other receivables" (note 11), while the liabilities refer to deferred income and customer advances and are presented in the item "Trade and other payables" (note 18) respectively in the balance sheet.

(b) Sales of services

Revenue from provision of services mainly concerns maintenance and support contracts, on-site design and development services, and instrument calibration and testing services. They are recognized over a long period of time by the fixed method during the contract as the customers receive and at the same time reap the benefits resulting from the provision of the service on the part of the Company. Primarily, the services include a single enforcement obligation.

(c) Rental income

Rental income arising from operating leases on investment properties is accounted on a straight line basis during the lease term and is included in other income in the statement of comprehensive income.

2.3.3 Government Grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and all attached conditions will be complied with.

Government grants relating to costs are deferred and recognized in profit or loss over the period necessary to match them with the costs they are intended to compensate. Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities and are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

2.3.4 Current and deferred income tax

The fiscal year taxation includes the current and deferred tax. The taxation is recognized in the results unless it is related to items recognized in the other total income or directly in the net position. In this case, the tax is also recognized in the other total income or directly in the net position, respectively.

Current income tax

The current income tax is calculated based on the taxation result, according to the taxation laws applied in Greece. The expenditure for the current income tax includes the income tax arising from the Company's profits, as shown in its tax statement and provisions for additional taxes for not-audited fiscal years and is calculated according to the laid-down or substantially laid-down tax rates.

Deferred income tax

The deferred income tax arises from the provisional differences between the tax base and the book value of the assets and liabilities. Deferred income tax is not taken into account if it arises from the initial recognition of assets or liabilities in a transaction, except business venture, which when made did not affect the accounting or taxation profit or loss.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

The deferred tax is determined taking into account the tax rates (and tax laws) in force on the balance sheet date and expected to be in force when the deferred tax asset is paid or the deferred tax is settled.

The deferred tax assets are set off with the deferred tax liabilities when settled at the same tax authority.

2.3.5 Property, plant and equipment

Property, plant and equipment ("PPE") is stated at historical cost less depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method over their estimated useful lives, as follows:

- Buildings	33 - 34 Years
- Machinery, installations and equipment	10 Years
- Vehicles	5-7 Years
- Other equipment	5-10 Years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

If the asset's carrying amount is greater than its estimated recoverable amount, the asset's carrying amount is written down to its recoverable amount, and the difference (impairment) is immediately recorded in the income statement.

When an asset is sold, the difference between the proceeds and its carrying amount is recognized as gains or losses in the income statement.

Finance charges directly attributable to the construction of PPE assets are capitalized for the period that is required until the completion of the constructed item. All other finance charges are recognized in the income statement as incurred.

2.3.6 Investment Property

Investment property, principally comprising land and buildings, is held for long-term rental yields and is not occupied by the Company. Investment property is measured at cost less depreciation and impairment. The land classified as investment property is not depreciated. Depreciation on buildings is calculated using the straight-line method to allocate the cost of each asset to its residual value over its estimated useful life, which is 33-34 years.

When the carrying amount of the investment property is greater than its recoverable amount, the resulting difference (impairment loss) is recognized immediately as an expense in the income statement.

2.3.7 Leases

The Company as lessee

Right -of –use assets
The company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are subject to impairment.

The right-of-use assets are presented separately in the balance sheet.

Lease liabilities
At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

For short-term leases and leases in which the underlying asset has a low value, the Lease payments are recognised as expense on a straight-line basis over the lease term according IFRS16 exemptions.

The company doesn’t separate non-lease components from lease components and accounting each lease component and any associated non-lease component as a single lease component.

The Company as Lessor
Leases in which all the risks and benefits of ownership are maintained by the Company are classified as operational leases. Revenues from operational leases are recognized in the results using the fixed method during each lease.

The company has not contracted any financial leases.

2.3.8 Intangible assets

Computer software

Acquired computer software licenses are measured at cost less accumulated amortization. Amortization is calculated using the straight-line method over the estimated useful lives of the assets, which is 3 to 8 years.

Costs associated with maintaining computer software programs are recognized as an expense as incurred.

2.3.9 Impairment of non-financial assets

The book values of non-current assets are controlled for impairment purposes when incidents or changes in the conditions denote that the book value may not be recoverable. When the book value of an asset exceeds the recoverable amount an impairment loss is recognized in the results. The recoverable value is determined as the highest value between the fair value minus the sale cost and the use value. The fair value minus the sale cost is the price one would get for the sale of an asset in a normal transaction between market participants after deducting any additional direct sale cost of the asset, while use value is the net present value of the estimated future cash flows expected to be realized from the continuous use of an asset and the expected proceeds from its sale at the end of the estimated useful life. For the determination of the impairment, the assets are grouped at the lowest level for which the cash flows can be separately determined.

2.3.10 Financial instruments

a. Financial assets

i. Initial Recognition and Derecognition

The Company recognizes a financial asset when it becomes one of the parties of the financial instrument.

A financial asset is derecognised when the contractual rights to the cash flows of the financial asset expire or the financial asset is transferred and the transfer qualifies for derecognition.

ii. Classification and Measurement

Financial assets at initial recognition are measured at their fair value (usually the transaction price, ie the fair value of the consideration given or received) plus transaction costs directly attributable to their acquisition or issue, unless it is for financial assets measured at fair value through profit or loss where transaction, issue, etc. costs are borne by the results.

The trade receivables that do not include a significant portion of funding are measured at the transaction price.

For subsequent measurement purposes, financial assets are classified in accordance with the entity's business model for the management of financial assets and their contractual cash flows.

Financial assets are classified into one of the following three categories, which determines their subsequent measurement:

- Amortised cost,

- fair value through other comprehensive income (fair value through OCI) and

- fair value through profit or loss.

The Company does not hold any other financial assets except trade receivables from customers and cash and cash equivalents. The company has classified trade receivables at amortized cost and measures them subsequently, using the effective interest rate method if they have a long-term share.

iii. Impairment

For trade receivables, the Company applies the simplified approach of the Standard and calculates the expected credit losses on the basis of the expected credit losses over the whole life of those items.

b. Financial liabilities

i. Initial Recognition and Derecognition

An entity recognizes a financial liability in its statement of financial position when and only when the entity becomes a party to the financial instrument.

All the financial liabilities are initially recognized at their fair value and, in the case of loans, net of the direct costs of the transaction.

A financial liability is written off from the statement of financial position when it is settled.

A material change in the terms of an existing financial liability (difference of at least 10% at present value with the initial interest rate) is accounted for as a repayment of the initial financial liability and recognition of a new financial liability. Any difference is recorded in the results.

ii. Classification and Measurement

The financial liabilities are classified at the initial recognition as financial liabilities measured at amortized cost or financial liabilities that are measured at fair value through profit or loss.

The Company's financial liabilities include trade and other payables.

The Company's trade and other payables are subsequently measured by the amortized cost method using the effective interest rate. The Company has not undertaken liabilities that are measured at fair value through profit or loss.

c. Offsetting financial instruments

Financial assets are set off and the net amount is presented in the balance sheet when there is a legal right to set off amounts that have been recognized and there is also the intention of entering a settlement on a net base or the acquisition of the asset and the settlement of the liability are carried out simultaneously.

2.3.11 Inventories

Inventories are stated at the lower value between the acquisition cost and the net realizable value. The cost is determined using the weighted average method. The cost of finished products and semi-finished inventories includes the cost for materials, the direct labour cost and a proportion of the general production expenses. The net realizable value is estimated based on the current reserve sale prices in the context of the usual activity deducting possible sale expenses and for semi-finished products the estimated expenses for their finishing. An impairment provision for slowly moving or depreciated inventories is formed if necessary. Impairments are recognized in the related results.

2.3.12 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents have low risk of changes in value.

2.3.13 Share capital

The share capital includes the Company's ordinary shares. The ordinary shares are included in the equity.

Direct expenses for the issuance of shares are shown after deducting the relevant income tax, in reduction of the issuance product.

The acquisition cost of own shares is shown as a deduction of the Company's equity up to when the own shares are sold or cancelled. Each gain or loss from the sale of own shares, net of any expenses and taxes related directly to the transaction, is shown in the retained earnings.

2.3.14 Employee Benefits

(a) Short-term benefits

Short-term benefits for the personnel in money and kind are entered as expenses when they become accrued.

(b) Post-employment benefits

Benefits upon leaving the service include both defined contribution plans (state plans) and defined benefit plans.

The accrued cost of the defined contribution plans is entered as expenses in the related period.

The obligations arising from defined benefit plans for the personnel are calculated at the discounted value of the future benefits for the personnel that have been accrued on the balance sheet date. The obligation of the defined benefit is calculated annually by an independent actuary using the projected unit credit method.

The actuarial profits and losses arising from experiential adjustments and changes in the actuarial assumptions are recognized in the other total revenues in the related period.

The work experience cost is directly recognized in the results.

(c) Termination benefits

The benefits for employment termination are payable when the Company either terminates the employment of employees before retirement or after the decision of employees to accept an offer of benefits by the Company in exchange of terminating their employment. The Company recognizes the benefits for employment termination as an obligation and expenditure on the earlier among the following dates: a) when the entity cannot withdraw the offer of said benefits; and b) when the entity recognizes the restructuring cost falling within the scope of IAS 37 and meaning the payment of benefits for employment termination. Benefits for employment termination due to be paid 12 months after the balance sheet date are discounted.

2.3.15 Provisions

Provisions are recognised when:

- There is a present obligation (legal or constructive) as a result of past events.

- It is probable that an outflow of resources will be required to settle the obligation.

- The amount can be reliably estimated.

When the effect of the time value of money is material, the amount of the provision is the present value of the expense that is expected to be required to settle the obligation. The discount rate will be a pre-tax interest rate that reflects the current market estimates for the time value of money and liability-related risks.

(a) Warranties

The Company recognizes a provision that represents the present value of the estimated obligation for the repair or replacement of guaranteed products or concerning the delivery of projects / rendering of services at the balance sheet date. This provision is calculated on the basis of historical facts over repairs and replacements.

(b) Full-pay leave of absence

The compensation for employee annual full-pay leave is recognized as incurred. The Company recognizes the expected cost of short-term employee benefits in the form of full-pay leave of absence on the basis of services rendered by employees to the balance sheet date.

2.3.16 Dividend distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the Company's financial statements in the period in which the dividends are approved by the General Meeting of shareholders.

2.3.17 Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the year excluding ordinary shares purchased by the company and held as treasury shares.

Diluted earnings per share is calculated by dividing the net profit attributable to equity holders of the parent (after deducting interest expense on convertible shares, net of tax) by the weighted average number of shares in issue during the year (adjusted for the tax effect of dilutive convertible shares).

The weighted average number of ordinary shares in issue during the period and for all periods presented is adjusted for events that have changed the number of ordinary shares in issue without a corresponding change in resources.

3. Financial risk management

3.1 Financial risk factors

«Intracom Defense» is exposed to financial risks such as market risks (changes in exchange rates, interest rates, market prices), credit risk and liquidity risk. Risk management of the Company operates within the framework of the general risk management program of the Intracom Holdings Group and seeks to minimize the potential negative impact of the volatility of the financial markets on its financial performance.

The financial liabilities of the Company consist mainly of trade payables. Additionally, the Company manages financial assets, mainly in the form of short-term deposits, derived from operating activity. The company with its funds finances its needs in working capital as well as its investments in capital equipment. At the end of the current period there are no open positions in financial derivatives. In any case, such products are used solely for the management of interest rate or foreign exchange risk, since according to the approved policy of the "Intracom Holdings" group use thereof is not allowed for speculation.

3.1.1 Market risk

Foreign exchange risk

The Company's currency risk is relatively limited because, in most cases where there are receivables from foreign currency contracts, there are corresponding liabilities in the same currency. Foreign currency contracts are almost all in USD, as are the corresponding liabilities.

In cases where satisfactory natural hedging is not possible due to particularly high foreign currency liabilities, use of forward currency agreements is considered.

With respect to holding reserve assets in foreign currency, the Company's policy is to hold the minimum necessary amount to cover short-term liabilities in that currency.

The following table presents an analysis of the Company's net results sensitivity to possible changes in the exchange rate for the years 2020 and 2019. This analysis took into account the Company's cash reserves and trade receivables and liabilities in USD on 31 December 2020 and 2019 respectively.

Change in EUR/USD rate by	Effect on net results 31/12/2020	Effect on net results 31/12/2019
3,00%	(109.846)	(31.321)
6,00%	(219.693)	(62.643)
9,00%	(329.539)	(93.964)
12,00%	(439.385)	(125.285)

Price risk

The company is not exposed to price risk.

Cash flow and fair value interest rate risk

Interest rate risk for the company is limited given that there is no borrowing. Any risk arises from the company's cash reserves held in interest-bearing placements. The following tables present an analysis of the Company's net results sensitivity to possible interest rate fluctuations for the years 2020 and

2019. This analysis took into account the cash reserves of the Company as at 31 December 2020 and 2019 respectively.

Financial instruments in Euro

Interest rates increase (base units)	Effect on net results 31/12/2020	Effect on net results 31/12/2019
25	27.279	7.457
50	54.557	14.913
75	81.836	22.370
100	109.115	29.826

Financial instruments in USD

Interest rates increase (base units)	Effect on net results 31/12/2020	Effect on net results 31/12/2019
25	26.159	6.406
50	52.319	12.812
75	78.478	19.218
100	104.637	25.624

3.1.2 Credit risk

The Company's trading takes place almost entirely with highly reputable private or public sector organizations. In many cases, there is a many years of good cooperation history. Consequently, it is considered that the risk of bad debts is very limited.

Despite the advent of COVID-19 pandemic (note. 35) the credit risk was not increased, due to high credit quality of the Company's clientele.

In relation to credit risk associated with cash deposits, it is noted that the Company collaborates only with financial institutions with a high credit rating.

3.1.3 Liquidity risk

Liquidity risk is kept at a low level by keeping sufficient cash and sufficient free credit limits.

3.2 Capital risk management

The purpose of the Company in managing funds is to safeguard the Company's ability to continue its business in order to ensure returns for shareholders and the benefits of the other parties that are related to the Company and to maintain an optimal capital structure.

There is no capital risk for the Company. All its liabilities fall far short of the capital and there are no loans. Dividend payments are always covered by the Company's cash and cash equivalents.

4. Critical accounting estimates and Judgements

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

The Company makes estimates and assumptions concerning the future. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

4.1 Useful life of property, plant and equipment

The management makes estimates for the useful life of depreciable fixed assets. More information is given in 2.3.5, 2.3.6 and 2.3.8.

4.2 Estimated net realizable value of inventories

Under the accounting policy referred to in paragraph 2.3.11, the estimate of the net realizable value of inventories is the Management's best estimate, based on historical sales trends and its view on the quality and volume of inventories, to the extent that available inventories at the balance sheet date will be sold below cost.

4.3 Provision for impairment of doubtful receivables

The Company makes estimates to determine the expected credit losses of trade receivables that are based on the financial position of customers and the economic environment (note 2.3.10).

The amount of expected credit losses depends to a large extent on changes in the circumstances and the future financial situation. Furthermore, past experience and estimates may not lead to conclusions indicative of the actual amount of customer default in the future.

4.4 Employee retirement benefit obligations

Employee retirement benefit obligations are calculated on the basis of actuarial methods that require from the management to assess specific parameters such as the future increase in employee remuneration, the discount rate for these liabilities, the severance rate of employees, etc. The Management tries at each reporting date where this provision is reviewed to best estimate these parameters.

4.5 Income Tax

The Company recognizes receivables and payables for current and deferred income taxes, as well as the results associated there with, based on estimates of the amounts expected to be collected from or be paid to tax authorities for the current and future fiscal years. Estimates are influenced by factors such as the practical application of the relevant legislation, expectations of future taxable profits and the resolution of any disputes with tax authorities, etc. Future tax audits, changes in tax legislation and the amount of taxable profits made may result in adjusting the amount of receivables and payables for current and deferred income tax and in the payment of tax amounts other than those recognized in the Company's financial statements. Any adjustments are recognized in the year within which they are finalized.

4.6 Warranties provisions

The Company recognizes a provision that corresponds to the present value of the estimated liability for the repair or replacement of warranted products or the delivery of projects / services at the balance sheet date. This estimate is calculated on the basis of historical data on repairs and replacements.

5. Segmental Information

Sectors are determined on the basis of the internal information received by the Company's Management and presented in the financial statements on the basis of this internal classification.

The Company is active in the field of Defense Electronic Systems. Geographically, the Company is operating in the Greek Territory and sells products and services to EU countries, European countries outside the EU, the United States of America, Middle East and Southeast Asia.

There is only one business sector in which the company is operating, that of defense systems.

Geographical segment

Amounts in euro	Sales		Non Currents Assets(*)	
	1/1-31/12/2020	1/1-31/12/2019	31/12/2020	31/12/2019
Greece	7.686.919	11.698.913	31.792.761	31.930.344
European Union	7.559.981	6.262.187	-	-
Other European countries	333.817	3.638	-	-
Other countries	43.365.758	28.219.501	-	-
Total	**58.946.476**	**46.184.240**	**31.792.761**	**31.930.344**

The sales revenue is allocated to the geographical areas based on the country in which the customer is located. The Assets are allocated based on where the assets are located.

(*) Financial assets and deferred tax assets are not included

Sales revenue by category

See analysis of revenue by category in note 20 below.

6. Property, plant and equipment

Amounts in euro	Land - buildings	Machinery	Vehicles	Furniture & other equipment	Total
Cost					
Balance at 1 January 2019	**53.804.923**	**15.100.316**	**216.339**	**3.617.023**	**72.738.601**
Additions	47.917	172.608	-	103.863	324.389
Sales of assets / Write offs	-	(95.892)	(16.274)	(61.058)	(173.224)
Transfer to investment property (note 9)	(3.322)	-	-	-	(3.322)
Balance at 31 December 2019	**53.849.518**	**15.177.033**	**200.065**	**3.659.828**	**72.886.444**
Accumulated depreciation					
Balance at 1 January 2019	**24.972.390**	**13.719.817**	**212.182**	**3.263.733**	**42.168.123**
Depreciation charge	**763.243**	263.069	1.508	112.095	1.139.915
Sales of assets / Write offs	-	(95.891)	(16.274)	(61.007)	(173.172)
Balance at 31 December 2019	**25.735.633**	**13.886.996**	**197.415**	**3.314.822**	**43.134.866**
Net book amount at 31 December 2019	**28.113.885**	**1.290.037**	**2.650**	**345.006**	**29.751.578**
Cost					
Balance at 1 January 2020	**53.849.518**	**15.177.033**	**200.065**	**3.659.828**	**72.886.444**
Additions	72.050	159.811	-	351.627	658.202
Sales of assets / Write offs	-	-	(36.228)	(73.859)	(110.087)
Reclassifications	-	-	-	-	(47.014)
Transfer to investment property (note 9)	(2.659)	-	-	-	(2.659)
Net book amount at 31 December 2020	**53.918.909**	**15.336.844**	**163.836**	**3.937.597**	**73.384.886**
Accumulated depreciation					
Balance at 1 January 2020	**25.735.633**	**13.886.996**	**197.415**	**3.314.822**	**43.134.866**
Depreciation charge	**765.030**	245.263	776	122.054	1.133.122
Sales of assets / Write offs	-	-	(36.228)	(73.205)	(109.433)
Balance at 31 December 2020	**26.500.663**	**14.132.259**	**161.962**	**3.363.671**	**44.158.555**
Net book amount at 31 December 2020	**27.418.246**	**1.204.585**	**1.874**	**573.926**	**29.226.331**

There are no real lines on the above assets.

At 31.12.2020 the Company had no contractual obligations for purchase of PPE assets.

7. Right-of-use assets

Amounts in euro	Right-of-use Motor vehicles	Lease liabilities
Balance at 1 January 2019		
IFRS 16 Adoptation - Former operating leasings	267.746	267.746
Additions	118.310	118.310
Depreciation	(113.831)	
Interest (note 26)		12.900
Payments		(123.554)
Balance at 31 December 2019	**272.224**	**275.402**
Balance at 1 January 2020	272.224	275.402
Additions	222.229	222.229
Depreciation	(131.148)	
Interest (note 26)		12.619
Payments		(141.437)
Balance at 31 December 2020	**363.305**	**368.814**

The lease liabilities are as follows:

Amounts in euro	31/12/2020	31/12/2019
Current lease liabilities	103.746	121.651
Non-current lease liabilities	264.530	153.752
Total	**368.275**	**275.402**

The maturity analysis of lease liabilities based on undiscounted gross cash flows is as follows:

Amounts in euro	31/12/2020	31/12/2019
Not later than one month	10.559	11.809
Later than one month and not later than three months	21.117	23.617
Later than three months and not later than one year	88.424	97.494
Later than one year and not later than five years	286.736	170.120
Total contractual cash flows	**406.836**	**303.040**

The right of use assets concerns motor vehicles.

8. Intangible assets

Amounts in euro	Software	Total
Cost		
Balance at 1 January 2019	3.399.112	3.450.352
Additions	212.900	212.900
Disposals	-	-
Balance at 31 December 2019	**3.612.012**	**3.663.252**
Accumulated depreciation		
Balance at 1 January 2019	**3.158.062**	**3.209.302**
Depreciation charge	122.004	122.004
Disposals	-	-
Balance at 31 December 2019	**3.280.066**	**3.331.305**
Net book amount at 31 December 2019	**331.946**	**331.946**
Cost		
Balance at 1 January 2020	**3.612.012**	**3.663.252**
Additions	497.002	497.002
Disposals	(16.140)	(27.140)
Net book amount at 31 December 2020	**4.092.875**	**4.133.114**
Accumulated depreciation		
Balance at 1 January 2020	**3.280.066**	**3.331.305**
Depreciation charge	168.041	168.041
Disposals	(16.140)	(27.140)
Balance at 31 December 2020	**3.431.967**	**3.472.207**
	-	
Net book amount at 31 December 2020	**660.908**	**660.908**

9. Investment Property

Amounts in euro	31/12/2020	31/12/2019
Cost		
Balance at beginning of year	**2.713.547**	**2.710.225**
Transfer from PPE (note 6)	2.659	3.322
Balance at end of year	**2.716.206**	**2.713.547**
Accumulated depreciation		
Balance at beginning of year	**1.138.952**	**1.104.013**
Depreciation charge	35.037	34.939
Balance at end of year	**1.173.989**	**1.138.952**
Net book amount at end of year	**1.542.217**	**1.574.595**

The fair-value of investment property at 31/12/2020 amounted at €1.713.057 (2019: €1.786.628)

Rental income for 2020 and 2019 amounted to € 107.419 and € 110.933 respectively (note 24).

The carrying value of investment property approximates their fair value.

The minimum future rental income is as follows:

Amounts in euro	31/12/2020	31/12/2019
Up to 1 year	108.138	94.225
Later than 1 year and no later than 2 years	85.458	94.225
Later than 2 years and no later than 3 years	85.458	94.225
Later than 3 years and no later than 4 years	85.458	87.025
Later than 3 years and no later than 5 years	71.215	87.025
Later than 5 years	-	72.521
Total	**435.729**	**529.246**

10. Deferred income tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The offset amounts are as follows:

Amounts in euro	31/12/2020	31/12/2019
Deferred tax assets:	(6.326.210)	(6.265.609)
Deferred tax liabilities:	1.189.007	1.201.684
	(5.137.203)	**(5.063.926)**

Most of the deferred tax assets / liabilities are recoverable / payable after 12 months.

The total movement in deferred income tax is as follows:

Amounts in euro	31/12/2020	31/12/2019
Balance at the beginning of the year:	**(5.063.926)**	**(5.148.113)**
Income statement charge (Note 27)	(23.632)	105.828
Charged/ (credited) to the other Comprehensive income	(49.646)	(21.641)
Balance at the end of the year	**(5.137.203)**	**(5.063.926)**

Deferred tax that is charged directly to equity during the current and prior year relates to the recognition of actuarial gains from re-measurement of the defined benefit plans to employees (note 16).

The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same jurisdictions, is as follows:

Deferred tax liabilities:	Accelerated tax depreciation	Total
Balance at 1 January 2019	**1.212.795**	**1.212.795**
Charged / (credited) to the income statement	(11.112)	(11.112)
Balance at 31 December 2019	**1.201.684**	**1.201.684**
Balance at 1 January 2020	**1.201.684**	**1.201.684**
Charged / (credited) to the income statement	(12.677)	(12.677)
Balance at 31 December 2020	**1.189.007**	**1.189.007**

Deferred tax assets:	Impairments of Land	Accrued expenses	Other	Provisions	Total
Balance at 1 January 2019	**(2.657.867)**	**(630.163)**	**(260.939)**	**(73.128)**	**(6.360.908)**
Charged / (credited) to the income statement	106.315	5.329	54.596	(20.757)	116.940
Charge in the other Comprehensive income	-	(21.641)	-	-	(21.641)
Balance at 31 December 2019	**(2.551.553)**	**(646.476)**	**(206.343)**	**(93.885)**	**(6.265.609)**
Balance at 1 January 2020	**(2.551.553)**	**(646.476)**	**(206.343)**	**(93.885)**	**(6.265.609)**
Charged / (credited) to the income statement	-	15.398	(45.053)	50.180	(10.955)
Charge in the other Comprehensive income	-	(49.646)	-	-	(49.646)
Balance at 31 December 2020	**(2.551.553)**	**(680.724)**	**(251.396)**	**(43.705)**	**(6.326.210)**

11. Trade and other receivables

Amounts in euro	31/12/2020	31/12/2019
Trade receivables	7.980.566	17.431.123
Less: provision for impairment	(334.195)	(296.164)
Trade receivables - net	**7.646.371**	**17.134.959**
Receivables from related parties (note 29)	71.819	72.814
Prepayments to creditors	16.209.201	5.806.873
Other prepayments	300.897	218.752
V.A.T. Receivables from Tax Authorities	2.390.730	2.625.350
Other receivables	68.400	514.751
Total	**26.687.417**	**26.373.498**

Non-current assets	5.284.596	5.030
Current assets	21.402.821	26.368.469
Total	**26.687.417**	**26.373.498**

The change in the amounts of advance payments to suppliers is related to the implementation of the projects undertaken by the Company.

The fair value of receivables approximates their carrying amounts.

The movement in the provision for trade receivables is as follows:

Amounts in euro	31/12/2020	31/12/2019
Opening loss allowance as at 1 January 2020	**296.164**	**333.434**
Increase in loss allowance recognised in profit or loss during the period	53.780	15.750
Utilised during the period	-	(15.107)
Unused amounts reversed	(15.750)	(37.913)
Balance at the year end	**334.195**	**296.164**

Trade and other receivables are denominated in the following currencies:

Amounts in euro	31/12/2020	31/12/2019
Euro	3.244.535	8.183.306
US Dollar	23.310.628	18.188.805
GBP	71.910	1.388
CHF	60.344	0
Total	**26.687.417**	**26.373.498**

12. Inventories

Amounts in euro	31/12/2020	31/12/2019
Raw & auxiliary materials	21.763.156	19.958.966
Semi-finished goods	16.672.842	14.041.197
Finished goods	1.922.557	1.651.850
Work in progress	1.351.993	1.772.351
Merchandise	7.058	7.555
Total	**41.717.606**	**37.431.919**
Less: Provisions for obsolete inventories		
Raw & auxiliary materials	7.199.142	7.346.244
Semi-finished goods	3.772.023	3.529.590
Finished goods	690.636	654.802
Total	**11.661.802**	**11.530.637**
Net realisable value	**30.055.804**	**25.901.283**

The movement of the provision is as follows:

Amounts in euro	31/12/2020	31/12/2019
At the beginning of the year	11.530.637	10.859.241
Provision for impairment	783.485	790.257
Amount of provision reversed during the year	(652.320)	(118.862)
At the year end	**11.661.802**	**11.530.637**

13. Cash and cash equivalent

Amounts in euro	31/12/2020	31/12/2019
Cash in hand	35.903	45.856
Cash at bank	9.403.910	2.658.631
Short-term bank deposits	11.649.295	2.775.615
Total	**21.089.108**	**5.480.102**

The effective interest rate on short-term bank deposits in Euro and USD was 0,14% and 0,22% respectively (2019: 0,56% and 2,12% for Euro and USD respectively).

The above amounts are the cash and cash equivalents for the purposes of the cash flow statement.

Cash and cash equivalents are analysed in the following currencies:

Amounts in euro	31/12/2020	31/12/2019
Euro (EUR)	10.762.009	2.941.743
US Dollar (USD)	10.320.400	2.527.280
UK Pound (GBP)	6.460	11.041
Other	240	38
Total	**21.089.108**	**5.480.102**

14. Share capital

Amounts in euro	Number of Shares	Common Shares	Total
Balance at 1 January 2020	23.103.305	2,29	52.906.568
Balance at 31 December 2020	23.103.305	2,29	52.906.568
Balance at 31 December 2020	**23.103.305**	**2,29**	**52.906.568**

15. Reserves

Amounts in euro	Statutory reserves	Tax free reserves	Extraordinary reserves	Actuarial gains/ (losses) reserve	Total
Balance at 1 January 2019	**750.882**	**9.274.814**	**341.041**	**(1.052.136)**	**9.314.601**
Transfer from retained earnings	115.676	-	-	-	**115.676**
Actuarial gains/ (losses)	-	-	-	(126.982)	**(126.982)**
Balance at 31 December 2019	**866.558**	**9.274.814**	**341.041**	**(1.179.118)**	**9.303.296**
Balance at 1 January 2020	**866.558**	**9.274.814**	**341.041**	**(1.179.118)**	**9.303.296**
Statutory reserve formation	54.376	-	-	-	**54.376**
Actuarial gains/ (losses)	-	-	-	(157.212)	**(157.212)**
Balance at 31 December 2020	**920.934**	**9.274.814**	**341.041**	**(1.336.330)**	**9.200.460**

(a) Statutory reserve

A statutory reserve is created under the provisions of Greek Company law (Law 2190/20, articles 44 and 45) according to which, an amount of at least 5% of the annual net profit shall be transferred to a statutory reserve until this reserve amounts to one third of the paid up share capital. This reserve can be used, upon resolution of the Annual General Meeting of shareholders, to offset accumulated losses and therefore cannot be used for any other purpose.

(b) Tax free reserve

This account includes reserves created from profits, which regarded as tax-free under special provisions of development laws in force each time. In other words, this reserve is created from profits for which no tax is calculated or paid.

(c) Extraordinary reserves

The extraordinary reserves include amounts that were created following resolutions of the Annual General Meetings, have no specific purpose and can therefore be used for any purpose upon relevant resolution of the Annual General Meeting, as well as amounts, which were created under the provisions of Greek law. The above reserves have been created from taxed profits and are therefore not subject to any additional taxation in case of their distribution or capitalization.

(d) Actuarial gains/ (losses) reserve

In this reserve are recognized the actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions in measuring the obligation for employee retirement benefits. (note 16)

16. Retirement benefit obligations

Amounts in euro	31/12/2020	31/12/2019
Balance sheet obligations for :		
Pension benefits	2.836.348	2.693.649
Total	**2.836.348**	**2.693.649**
Income statement charge		
Pension benefits (note 22)	378.022	205.919
Total	**378.022**	**205.919**
Actuarial (gains) / losses (Other comprehensive income)		
Pension benefits	206.857	148.623
Total	**206.857**	**148.623**

The amounts recognized in the balance sheet are determined as follows:

Amounts in euro	31/12/2020	31/12/2019
Present value of unfunded obligations	2.836.348	2.693.649
Liability in the Balance Sheet	**2.836.348**	**2.693.649**

The amounts recognized in Statement of Comprehensive Income are as follows:

Amounts in euro	1/1-31/12/2020	1/1-31/12/2019
Current service cost	34.664	33.809
Interest cost	30.977	40.330
Losses from settlements	312.382	131.779
Total, included in staff costs (note 22)	**378.022**	**205.919**

The total charge is allocated as follows:

Amounts in euro	1/1-31/12/2020	1/1-31/12/2019
Cost of goods sold	212.077	124.958
Selling and research costs	155.333	65.302
Administrative expenses	10.612	15.658
Total	**378.022**	**205.919**

The liability change recognized in the balance sheet is as follows:

Amounts in euro	31/12/2020	31/12/2019
Balance at the beginning of the year	**2.693.648**	**2.520.653**
Total expense charged / (credited) in the income statement	378.022	205.919
Contributions paid	(442.181)	(181.546)
Total	**2.629.490**	**2.545.026**
Actuarial gains/ (losses) from changes in financial assumptions	178.477	139.757
Other Actuarial gains/ (losses)	28.381	8.866
Balance at the end of the year	**2.836.348**	**2.693.648**

The principal actuarial assumptions used are as follows:

	31/12/2020	31/12/2019
	%	%
Discount rate	0,60%	1,15%
Inflation rate	1,50%	1,50%
Future salary increases	2,00%	2,00%

The present value's sensitivity analysis for the changes in principal actuarial assumptions is as follows:

	Assumption Change		Increase / (decrease) in present value of liability in case of increase in assumption		Increase / (decrease) in present value of liability in case of reduction in assumption	
Actuarial Assumption	31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Discount rate	0,50%	0,50%	6% decrease	6% decrease	6% increase	6% increase
Future salary increases	0,50%	0,50%	5% increase	6% increase	5% decrease	5% decrease

The average expected maturity of the retirement benefit obligation (plan duration) is as follows:

	31/12/2020	31/12/2019
	years	years
Pension benefits	12,02	12,55

17. Grants

Amounts in euro	31/12/2020	31/12/2019
Balance at 1 January 2019	**212.229**	**318.622**
Additions	4.636.620	194.906
Charged to the income statement	(280.941)	-301.299
Utilised during the year	**4.567.908**	**212.229**
Current liabilities	3.110.864	0
Non- current liabilities	1.457.045	212.229
Total	**4.567.908**	**212.229**

Government Grants are related to Research and Development projects with European Commission as well as with the Hellenic General Secretariat for Research and Innovation.

18. Provision

Amounts in euro	Warranties	Other provisions	Total
Balance at 1 January 2019	**860.862**	**117.179**	**978.041**
Additional provision for the period	781.626	-	781.626
Unused amounts reversed	(899.905)	-	(899.905)
Balance at 31 December 2019	**742.583**	**117.179**	**859.762**
Additional provisions	259.664	-	259.664
Unused amounts reversed	(71.944)	-	(71.944)
Balance at 31 December 2020	**930.303**	**117.179**	**1.047.482**

Analysis of total Provisions:

Amounts in euro	31/12/2020	31/12/2019
Current liabilities	582.331	488.471
Non- current liabilities	465.151	371.292
Total	**1.047.482**	**859.762**

Provisions for repairs or materials replacement concerning projects under warranty period are included in warranties.

19. Trade and other payables

Amounts in euro	31/12/2020	31/12/2019
Trade payables	5.157.000	5.032.602
Amounts due to related parties (note 31)	498.827	483.024
Accrued expenses	52.342	462.950
Social security and other taxes	1.215.275	1.199.837
Advances from customers	31.597.402	17.100.308
Other payables	24.119	21.780
Total	**38.544.965**	**24.300.501**
Non-current liabilities	7.845.285	1.422.501
Current liabilities	30.699.680	22.878.000
Total	**38.544.965**	**24.300.501**

The increase in customer advances is due to the implementation of new projects undertaken by the company.

Trade and other payables are denominated in the following currencies:

Amounts in euro	**31/12/2020**	**31/12/2019**
Euro (EUR)	1.079.588	4.606.522
US Dollar (USD)	37.292.573	19.672.042
UK Pound (GBP)	172.804	19.755
Swiss Franc (CHF)	-	2.180
Other	-	2
Total	**38.544.965**	**24.300.501**

The average credit payment term of the Company's trade payables is 60 days.

20. Sales by category

Analysis of revenue by category is as follows:

Amounts in euro	**1/1-31/12/2020**	**1/1-31/12/2019**
Sales of products	52.589.876	39.726.332
Revenue from services	6.356.600	6.457.908
Total	**58.946.476**	**46.184.240**

21. Expenses by nature

Amounts in euro	**Note**	**1/1-31/12/2020**	**1/1-31/12/2019**
Employee benefit expense	21	(16.337.449)	(15.873.613)
Inventory cost recognised in cost of goods sold		(29.162.907)	(19.247.482)
Depreciation of property, plant and equipment	6	(1.133.122)	(1.139.915)
Depreciation of right-of-use assets	7	(131.148)	(113.831)
Depreciation of investment property	9	(35.037)	(34.939)
Amortisation of intangible assets	8	(168.041)	(122.004)
Impairment of Inventories	12	(783.485)	(790.257)
Reversal of Inventories write down	12	652.320	118.862
Subcontractors		(3.337.170)	(1.824.845)
Impairment for doubtful debts		(1.081.606)	(939.600)
Subcontractors' fees		(55.359)	(42.553)
Leases of low-value underlying assets		(9.825)	(7.579)
Transportation and travelling expenses		(739.246)	(1.184.253)
Telecommunication, lighting & heating		(764.297)	(773.007)
Third party fees		(1.526.983)	(1.498.039)
Hospitality Expenses, conferences, exhibitions, advertising, etc.		(300.049)	(471.433)
Taxes and duties		(442.075)	(679.787)
Other expenses		(904.614)	(572.950)
Total		**(56.260.094)**	**(45.197.225)**

Amounts in euro	1/1-31/12/2020	1/1-31/12/2019
Split by function:		
Cost of goods sold	(43.278.849)	(32.594.917)
Selling and research costs	(9.131.360)	(8.966.503)
Administrative expenses	(3.849.886)	(3.635.806)
Total	**(56.260.094)**	**(45.197.225)**
Split of depreciation and amortisation by function:		
Cost of goods sold	(742.850)	(734.120)
Selling and research costs	(556.043)	(500.925)
Administrative expenses	(168.456)	(175.644)
Total	**(1.467.349)**	**(1.410.689)**

22. Employee benefits

Amounts in euro	1/1-31/12/2020	1/1-31/12/2019
Wages and salaries	(12.568.744)	(12.292.915)
Social security costs	(2.917.293)	(2.913.641)
Other employers' contributions and expenses	(473.390)	(461.138)
Pension costs - defined benefit plans (note 16)	(378.022)	(205.919)
Total	**(16.337.449)**	**(15.873.613)**

The average number of staff employed in the years 2020 and 2019 was 419 and 413 respectively, while at 31 December 2020 and 31 December 2019 the company employed 422 and 417 people respectively.

23. Net impairment gains/ (losses)

Amounts in euro	1/1-31/12/2020	1/1-31/12/2019
-Impairment gains/ (losses) on trade receivables	(53.780)	(15.750)
-Reversal of previous impairment losses	15.750	37.913
Total	**(38.031)**	**22.163**

24. Other operating income

Amounts in euro	1/1-31/12/2020	1/1-31/12/2019
Income from grants	315.822	779.911
Rental income	107.419	110.933
Insurance Compensation	8.493	1.052
Other	25.391	14.577
Total	**457.125**	**906.474**

25. Other gain / (losses) – net

Amounts in euro	1/1-31/12/2020	1/1-31/12/2019
Net foreign exchange gains / (losses)	(266.579)	(90.176)
Gains/ (losses) from sale of PPE	4.146	948
(Profit)/ Loss on disposal of right-of-use assets	538	-
Other	-	(35.133)
Total	**(261.895)**	**(124.361)**

26. Finance costs – net

Amounts in euro	1/1-31/12/2020	1/1-31/12/2019
Finance expenses		
- Lease liabilities	(12.619)	(12.900)
- Letters of guarantee	(191.965)	(293.158)
- Other	(75.193)	(270.268)
- Net foreign exchange gains / (losses)	(1.206.082)	153.245
Total	**(1.485.858)**	**(423.081)**
Finance income		
-Interest income	25.819	62.734
Total	**25.819**	**62.734**
Finance costs – net	**(1.460.039)**	**(360.347)**

Foreign exchange differences classified in financial income refer to foreign exchange differences arising from the cash and cash equivalents of the Company.

27. Income tax expense

Amounts in euro	1/1-31/12/2020	1/1-31/12/2019
Current tax	(417.519)	(526.140)
Deferred tax (Note 9)	23.632	(105.828)
Total	**(393.887)**	**(631.968)**

The tax on the profits before tax of the Company differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the Company as follows:

Amounts in euro	1/1-31/12/2020	1/1-31/12/2019
Profit before tax	**1.383.542**	**1.430.944**
Tax calculated at tax rates applicable to Greece 24%	(332.050)	(343.427)
Expenses not deductible for tax purposes	(35.264)	(45.920)
Differences from changes in tax rates	-	(242.621)
Other	(26.573)	-
Tax charge	**(393.887)**	**(631.968)**

Unaudited tax years

The company has not been tax audited for fiscal years 2015-2019, while the tax audit by tax authorities for the years 2015 and 2016 is in progress.

Audit Tax Certificate

From the year ended 31 December 2011 onwards, in accordance with Law 4174/2013 (article 65A), as in force (and as defined by article 82 of Law 2238/1994), Greek limited companies (S.A) and limited liability companies (EPE) whose annual financial statements must mandatorily be audited by statutory auditors, were required until the years starting prior to 1st January 2016 to receive an "Annual Tax Certificate", issued after a relevant tax audit by the statutory auditor or audit firm auditing the annual financial statements. For the years starting from 1 January 2016 onwards, the "Annual Tax Certificate" is optional, but the Company has chosen to receive it.

The Compliance Reports for the years 2015 to 2019 were issued without reservation.

The tax audit by the company's auditors for the year 2020 is in progress and is expected to be completed after the publication of the Financial Statements; however any additional charges to arise after its completion are not expected to have a material effect on the Financial Statements

According to the Greek tax legislation and the corresponding Ministerial Decisions, companies for which a tax certificate is issued without any indications of breaches of tax legislation are not excluded from the imposition of additional taxes and fines by the Greek tax authorities after the completion of a relevant tax audit in the framework of the law restrictions (as a general principle, 5 years as of the end of the fiscal year in which the tax return should have been submitted). The Company's Management estimates that in the case of tax audit by the tax authorities no additional tax liabilities will arise that may have a material effect beyond those recorded and presented in the financial statements.

28. Earnings / (Loss) per share

Basic earnings / (loss) per share

Basic earnings / (loss) per share is calculated by dividing the net profit / (loss) attributable to equity holders by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares held as treasury shares.

Amounts in euro	**1/1-31/12/2020**	**1/1-31/12/2019**
Profit/(Losses) attributable to the equity holders of the Company	989.655	798.976
Weighted average number of shares	23.103.305	23.103.305
Earnings /(Losses) per share (euro per share)	**0,043**	**0,035**

The number of shares of the company has not changed during the year. The Company does not hold any treasury shares.

Diluted earnings / (loss) per share

Diluted earnings / (loss) per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares, such as stock options. For the share options a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

Diluted earnings per share of the Company do not differ from basic earnings per share.

29. Cash generated by operations

Amounts in euro	Note	1/1-31/12/2020	1/1-31/12/2019
Profit for the year		**989.655**	**798.976**
Adjustments for:			
Tax	27	**393.887**	**631.968**
Depreciation of property, plant & equipment	6	1.133.122	1.139.915
Depreciation of investment property	9	35.037	34.939
Depreciation of right-of-use assets	7	131.148	113.831
Amortisation of intangible assets	8	168.041	122.004
(Profit)/ Loss on disposal of property, plant & equipment	25	(4.146)	(948)
(Profit)/ Loss on disposal of right-of-use assets	25	(538)	-
Interest income	26	(25.819)	(62.734)
Interest expense	26	279.776	576.326
Amortisation of government grants	17	(280.941)	(301.299)
Exchange gains / losses		155.715	53.768
Impairment charges on inventories	12	131.165	671.396
		3.106.103	**3.778.142**
Changes in working capital			
(Increase) / decrease in Inventories		(4.285.687)	(4.618.252)
(Increase) / decrease in trade and other receivables		(253.504)	(13.610.334)
Increase/ (decrease) in trade and other payables		14.114.810	14.768.189
Increase/ (decrease) in provisions		187.720	(118.279)
Increase/ (decrease) in retirement benefit obligations		(64.158)	24.372
		9.699.181	**(3.554.304)**
Cash generated from operations		**12.805.284**	**223.838**

30. Contingent liabilities/receivables

The Company has contingent liabilities in respect of banks and other matters arising in the ordinary course of business as follows:

Guarantees

Amounts in euro	31/12/2020	31/12/2019
Guarantees for advance payments	4.580.619	6.228.124
Guarantees for good performance	737.740	1.537.404
Guarantees for participation in contests	64.516	306.290
Total	**5.382.876**	**8.071.818**

Letters of guarantees include letters of guarantee issued to the Customs authorities concerning the import of materials under specific customs regimes. The amount of these guarantees is 3.297.900 at 31/12/2020 and 3.389.300 at 31/12/2019 respectively.

Outstanding legal cases

There are no legal or arbitration proceedings and decisions of judges or arbitrators which have or may have a material effect on the financial position or operations of the Company.

31. Related party transactions

The affiliated parties of the Company include:

(a) the parent company Intracom Holdings, the entities that are controlled, jointly controlled or significantly affected by it,

(b) affiliates and other related companies of the Intracom Holdings Group,

(c) the key members of the Company's Management, close relatives, and entities controlled or jointly controlled by such persons; and

(d) Persons or a close member of those person's family (and entities controlled or jointly controlled by these persons) that control or jointly control or have a significant influence over the parent company Intracom Holdings.

The related parties Transactions for the current and prior period are as follows:

Amounts in euro	1-31/12/2020	1-31/12/2019
Sales of goods / services:		
To INTRACOM HOLDINGS group Subsidiaries	-	460
To other related parties	152.856	152.810
Total	**152.856**	**153.270**
Purchases of goods / services:		
From parent company INTRACOM HOLDINGS	247.658	188.233
From INTRACOM HOLDINGS group Subsidiaries	906.825	745.004
From other related parties	680.670	699.106
Total	**1.835.153**	**1.632.344**
Purchases of fixed assets:		
From INTRACOM HOLDINGS group Subsidiaries	43.014	103.960
Total	**43.014**	**103.960**
Rental Income		
From other related parties	86.764	87.536
Total	**86.764**	**87.536**

Year-end balances arising from transactions with related parties are as follows:

Amounts in euro	31/12/2020	31/12/2019
Receivables from related parties		
From INTRACOM HOLDINGS group Subsidiaries	2.681	2.681
From other related parties	69.138	70.133
Total	**71.819**	**72.814**
Payables to related parties		
To parent company INTRACOM HOLDINGS	7.706	40.894
To INTRACOM HOLDINGS group Subsidiaries	211.421	162.430
To other related parties	279.700	279.700
Total	**498.827**	**483.024**

Services by and to related parties as well as sales and purchases of goods, take place on the basis of the price lists in force with non-related parties.

Key management compensation

Directors' remuneration and key management compensation amounted to € 1.247.379 during the year 2020 in comparison to € 1.157.369 during the previous year.

32. Independent auditors' fees

The contractual fees of the auditing company "Associate Certified Accountants SA" for the current and previous years are as follows:

Amounts in euro	1/1-31/12/2020	1/1-31/12/2019
Fees for the financial statements audit	30.000	30.000
Fees for the Annual Tax Certificate	30.000	30.000
Fees for the other audits	6.500	7.000
Total	**66.500**	**67.000**

33. Dividends

The company paid dividends amounted at € 600.000 during the prior year. The Board of Directors proposes dividend of € 500.000 for the current fiscal year 01.01.2020-31.12.2020.The proposed dividend will be submitted for formal approval at the shareholders' Annual General Meeting. This dividend will be accounted for as an appropriation of retained earnings in the following year.

34. Reclassifications for a comparative period

For purposes of comparability and more accurate presentation in the comparative data of the previous year Balance Sheet, the following reclassifications were made:

Amounts in euro	Published 31/12/2019	Reclassifications	Restated 31/12/2019
ASSETS			
Current assets			
Trade and other receivables	26.929.894	(561.425)	26.368.469
Total assets	**96.309.384**	**(561.425)**	**95.747.959**
LIABILITIES			
Non-current liabilities			
Trade and other payables	2.196.155	(773.654)	1.422.501
Current Liabilities			
Government grants	0	212.229	212.229
Total	**28.902.968**	**(561.425)**	**28.341.543**
Total equity and liabilities	**96.309.384**	**(561.425)**	**95.747.959**

The above reclassifications did not affect Equity and Total Income of the comparative period.

35. Covid 19 pandemic impacts

The spread of the COVID-19 pandemic, from the beginning of 2020 until today, has caused significant disruptions in the global economic activity, including Greece and other countries in which the Company operates, and has therefore created conditions of intense uncertainty, complicating macroeconomic environment globally and locally. At the same time, it is still difficult not only to estimate both the duration and the intensity of the pandemic, but also the restarting point of economic recovery.

The Company's Management, focusing on the health and safety of its employees and associates, but also on minimizing the unavoidable effect on its financial performance, immediately took actions to implement a plan of measures to create a safe working environment for its employees, along with the adoption of long-distance work policies wherever this was deemed feasible and necessary, like teleconferencing (through video calls), as well as other flexible ways of work.

Furthermore, the capital adequacy of the Company guarantees its normal business activity in the near future at every level.

Today, considering that COVID-19 crisis may not be over yet, we believe that the Company has achieved operational readiness through upgraded procedures and risk management mechanisms and therefore has developed incremental ability to react in a new crisis. In order to respond to the health and consequently the economic aspects of the pandemic, governments, worldwide, have already launched mass vaccination programs to secure the population and build a wall of immunity, which lead to a regularity. On the basis that the pandemic has not been fully controlled yet, combined with the virus mutations, these risks still remain.

The COVID-19 pandemic has not affected neither the sales nor the profitability of the Company for the year 2020. The continued disruptions to transportations and, also, the significant restrictions and limitations on businesses have consequently affected global supply chain, which has led to delays in supplier deliveries, and are expected to continue in the year 2021. Furthermore, the uncertainty in the macroeconomic and financial field, and also the volatile business environment are risk factors, which the Company constantly evaluates.

36. Events after the balance sheet date

Further to those already referred there are no significant subsequent to 31 December 2020 events, which should either be referred or that should differ the items of the published financial statements.