INTRACOM DEFENSE S.A.

Financial Statements
for the year ended December 31, 2022
in accordance with International Financial Reporting Standards

These financial statements have been translated from the original statutory financial statements that have been prepared in the Greek language. In the event that differences exist between this translation and the original Greek language financial statements, the Greek language financial statements will prevail over this document.

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 S.A." on 26 April 2023 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 AND MANAGING DIRECTOR
D. CH. KLONIS ID No. AK 121708 / 07.10.2011	G. I. TROULLINOS ID. No. S 681748 / 21.07.1999

THE CHIEF FINANCIAL MANAGER	THE HEAD OF THE ACCOUNTING DEPT.
K. D. PALMOS ID. No. AK 829005 / 11.02.2014 E.C.G. LICENCE No. 16941/A' CLASS	E. I. KOUFOPOULOS ID. No. AM 213304 / 19.09.2015 E.C.G. LICENCE 5271/A' CLASS

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A) Annual Report of the Board of Directors

of the company
"INTRACOM DEFENSE S.A."
DISTINCTIVE NAME: "IDE"
On the Financial Statements
For the year from 1 January to 31 December 2022

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 2022.

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 until 31 December 2022.

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

FINANCIAL RESULTS – ACTIVITY REVIEW

The company sales in fiscal year 2022, amounted to € 66.565 thousand against € 59.652 thousand in fiscal year 2021 increased by 11,6%.

The company's losses before income tax, financing, investing results and total depreciation (EBITDA), amounted to € 281 thousand, compared to profit of € 2.678 thousand in 2021. The adjusted profits before income tax, financing, investing results and total depreciation (EBITDA) after excluding:

1) Losses amounted to € 6.435 thousand which refers to fair value of shares allocated to Company's Key Personnel,

2) Gains amounted to € 3.313 thousand which concerns reversal of impairment losses from tangible assets and investment property,

amounted to € 2.842 thousand, increased by 6,1% compared to 2021.

In terms of income before taxes (EBT), the Company recorded losses of € 1.813 thousand compared to profit of € 1.429 thousand in year 2021. In terms of adjusted income before taxes (EBT), the company's profits amounted to € 1.311 thousand, decreased by 8,3%.

The after tax losses amounted to € 2.558 thousand compared to profit of € 635 thousand in the prior year.

These changes for the year 2022 and 2021 are presented in the following table:

Amounts in euro	1/1-31/12/2022	1/1-31/12/2021	Div(%)
Sales	66.565	59.652	11,6%
Gross profit	17.051	14.135	20,6%
%	*25,61%*	*23,70%*	
Earnings Before Interest, Taxes, Depreciation & Amortazation (EBITDA)	-281	2.678	-110,5%
%	*-0,42%*	*4,49%*	
Earnings Before Interest, Taxes (EBIT)	-2.044	933	-319,1%
%	*-3,07%*	*1,56%*	
Earnings Before Taxes (EBT)	-1.813	1.429	-226,8%
%	*-2,72%*	*2,40%*	
Earnings After Taxes (EAT)	-2.558	635	-503,1%
%	*-3,84%*	*1,06%*	

Adjusted amounts:

Amounts in euro	1/1-31/12/2022	1/1-31/12/2021	Div(%)
Sales	66.565	59.652	11,6%
Gross profit	17.051	14.135	20,6%
%	*25,61%*	*23,70%*	
Earnings Before Interest, Taxes, Depreciation & Amortazation (EBITDA)	2.842	2.678	6,1%
%	*4,27%*	*4,49%*	
Earnings Before Interest, Taxes (EBIT)	1.080	933	15,7%
%	*1,62%*	*1,56%*	
Earnings Before Taxes (EBT)	1.311	1.429	-8,3%
%	*1,97%*	*2,40%*	

The increase of the gross profit margin is due to the composition of the projects that were invoiced during the fiscal year 2022.

The inventories amounted to € 30.789 thousand compared to € 32.551 thousand in the previous year, decreased by 5,7%.

Trade receivables and other non-current assets in fiscal year 2022 amounted to € 11.582 thousands of which € 4.711 thousand relates to advances paid by the company to suppliers in the frame of projects implementation.

Trade payables and other liabilities amounted to € 21.038 thousand, of which the largest part of € 11.965 thousand, concerns customers advance payments in the frame of projects implementation.

Selling and research costs amounted to € 15.196 thousand compared to € 11.435 thousand in the previous year, showing an increase of 32,9%. This increase is mainly due to the implementation of distributed research programs. The amount of the grant corresponding to these programs in the year 2022 amounted to € 2.653 thousand and is recorded in the item "Other income" of the statement of comprehensive income.

The administrative expenses amounted to € 10.239 thousand compared to € 3.487. The adjusted administrative expenses, after excluding the losses of € 6.435 thousand which refers to fair value of shares allocated to Company's Key Personnel, amounted to € 3.803 thousand increased by 9,06% compared to the previous year.

The company continues to have zero bank lending.

Cash and cash equivalents at the end of the year amounted to € 14.654 thousand compared to € 20.100 thousand at the end of the previous year.

The equity of the Company at the end of the year 2022 amounted to € 72.272 thousand against € 68.512 in the year 2021. With the decision of the Annual General Meeting of the Company's shareholders on 15.03.2022, it was decided to increase the Company's share capital, by the amount of € 5.290.655,70 by issuing 2.310.330 new common registered shares, with a nominal value of two euros and twenty nine cents (€ 2,29) each.

The total Assets amounted in 2022 to € 98.587 thousand against € 119.790 in the year 2021, decreased by 17,7%.

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

Ratios	31/12/2021	31/12/2021
a.Financial Structure Ratios		
Current Assets / Total Assets	57,9%	67,2%
Total Equity / Total Liabilities	276,2%	133,6%
Total Equity / Fixed Assets	174,3%	174,4%
Current Assets / Short- term Liabilites	287,7%	167,9%
b. Profitability Ratios		
Net Profit / Sales	-3,8%	1,1%
Gross Profit / Sales	25,6%	23,7%
Sales / Total Equity	92,1%	87,1%

MAIN EVENTS

February 2022: The kick-off meeting for the Hellenic PATRIOT upgrade program, hosted by Intracom Defense (IDE) on February 9th, 2022, was successfully concluded with the participation of the Hellenic Air Force, the NSPA (NATO Support and Procurement Agency) and IDE executives. All parties expressed their satisfaction for the outcome of the meeting, which aimed to set the foundations for the successful implementation of the program. This program includes the installation, integration of hardware modifications and operational tests with the latest software for the engagement control, coordination and communication shelters (ECS, ICC, CRG) in all Hellenic PATRIOT battalions. It comes in continuation of the broad industrial participation of IDE in the Hellenic PATRIOT program.

February - March 2022: Intracom Defense (IDE) extends its cooperation with German based Diehl Defence with the receipt of new orders, amounted to 5 million Euros, for the continuation of production of crucial electronic missile components for the IRIS-T family of air & surface launched missile systems. The successful multinational co-operative IRIS-T program strengthens the collaboration between the partner nations, enhances the joint Security of Supply and establishes a fruitful framework for the Greek Defense Industry to collaborate and advance its technological capabilities and infrastructure. Moreover, the continued exploitation of the IRIS-T program by the Hellenic Armed Forces with future enhanced capabilities, features and roles, will ensure operational advantages, increased availability and low life cycle costs due to commonality and established infrastructure, while in parallel valuable income will flow to the Greek National Economy on a long-term basis.

March 2022: Intracom Defense (IDE) announces the award of a new contract by Raytheon Missiles & Defense, amounted to 10.2 million USD, for the production of electronic missile components of the Evolved Sea Sparrow Missile (ESSM) Block-2 system. With this order, IDE extends its successful cooperation with Raytheon in the NATO co-operative ESSM program.

June 2022: Intracom Defense (IDE) was honored by the Athens Chamber of Commerce and Industry (ACCI) with the "Research – Innovation and Technological Development Award".

June 2022: Intracom Defense (IDE) participated in the International Defence & Security Exhibition "EUROSATORY 2022", held in Paris, between 13-17 of June 2022,, with 1800 participants-exhibitors from 62 countries. IDE's exhibited products and solutions attracted significant interest from foreign military delegations from Belgium, France, Israel, Italy, Lithuania, Netherlands, Oman, Saudi Arabia, Slovenia and Spain. Company executives had also the honor to welcome at IDE's booth senior representatives from the Hellenic Armed Forces, the Hellenic Ministry of National Defense, the Cyprus National Guard General Staff and the Ministry of Defense of Cyprus.

In addition, IDE facilitated a significant number of meetings with major defense companies and industry executives, focusing on the company's state-of-the-art design and manufacturing capabilities, as well as its advanced and internationally recognized solutions in the areas of:

- Communication & Information Management Systems, with a functional NGVA-compatible C4I vehicle architecture presented at the event, based on IDE's WiSPRevo Tactical Mission Node.
- Advanced Radar and Missile Electronics.
- Surveillance, Reconnaissance and Risk Assessment Systems.
- Advanced Hybrid Electric Power Systems and Battery Modules for defense applications, with IDE deploying its own electrical nano-grid, based on an HGT20K tactical Hybrid Generator and a Tactical Power Hub, to power its exhibition stand throughout the event.

July 2022: Intracom Defense (IDE) announces the award of a new contract by Diehl Defence, amounted to 8.1 million Euros, for the production of crucial electronic missile components of the IRIS-T family of missile systems. With this order, IDE extends its successful cooperation with Diehl Defence in the multinational co-operative IRIS-T program, strengthening in parallel the collaboration between the partner nations, enhancing the joint Security of Supply and establishing a successful framework for the Greek Defense Industry to collaborate and advance its technological capabilities and infrastructure.

August 2022: According to the results recently announced by the European Commission, six (6) new projects in which Intracom Defense participates were selected for funding within the framework of the European Defense Fund – EDF 2021 programs, following a competition and an evaluation process by European Commission's experts, in a highly competitive environment. This success follows the positive results the company already achieved in the frame of the first two EDF pilot activities, the European Defense Industrial Development Program – EDIDP and the Preparatory Action for Defense Research – PADR.

The new projects are the following:

• "NOvel energy storage technologies usable at MilitAry Deployments in forward operating bases" – NOMAD

• "Energy Independent and Efficient Deployable Military Camps" – INDY

• "Convoy Operations with Manned-unManneD Systems" – COMMANDS

• "European Patrol Corvette" – EPC

• "5G Communications for Peacekeeping And Defense" – 5G COMPAD

• "Digital Ship Structural Health Monitoring" – dTHOR

These award-winning projects are related to strategic product areas of the company, such as Hybrid Energy and Storage Technologies, Tactical Communications, Information Security, Unmanned Systems and Interoperability Issues, where IDE has a competitive advantage and can contribute significantly with its technology, know-how and expertise. IDE will have the opportunity to technologically enhance its products and participate effectively in the new generation of European defense systems targeted by the European Defense Fund.

August 2022: Intracom Defense (IDE) announces a new contract award by BOEING for the production of electromechanical assemblies for V-22 Osprey tiltrotor aircraft, as a result of an international tender. With this award, IDE expands its successful cooperation with BOEING, by entering in the global supply chain of another unique aircraft, after Chinook and Awacs. This contract award by BOEING is a recognition of IDE's excellent performance record, proving in parallel IDE's unique value as a reliable and cost effective supplier of engineering and manufacturing services, in the international aerospace & defense market.

February-October 2022: IDE extends its cooperation with US based Raytheon Technologies for the supply of spare parts & engineering services for the PATRIOT air defense system, with the signature of multiple new contracts totaling 2,7 million USD.

December 2022: An IDE HEPS® Tactical Hybrid Generator was successfully deployed to the final phase of the British Army's AWE22 Sustain & Protect experimentation. Through a Marshall Land Systems and IDE teaming, the focus was to provide warfighters the organic means to generate, store, manage and distribute electrical power to increase tempo, mass, autonomy and protection, through advanced Hybrid Power technology. In addition, the system demonstrated full interoperability and synergies with participating Robotic & Autonomous Systems (RAS) and enabled extended "signature management" in the thermal and acoustic spectra. AWEE22 Sustain & Protect experimentation provided the venue for the British Army to examine how it can sustain and protect a Brigade (and below) force in increasingly contested urban environments that rely on a variety of mission systems requiring persistent and resilient power sustainment. IDE's Hybrid Electrical Power Systems (HEPS®) is a comprehensive product family of advanced hybrid power solutions, including Hybrid

Generators, Hybridization Systems, Containerised Energy Storage Systems, Vehicle Hybrid Auxiliary Power Systems (VHAPS) and customized integrated solutions for tactical power, weapon systems, deployable infrastructure and vehicle platforms in defense applications. HEPS® delivers an immediate positive impact to increase equipment availability, enhance survivability, reduce cost and logistic “tail” and support more sustainable outcomes, without compromising military Operational Capability.

December 2022: Intracom Defense (IDE) announces the extension of its co-operation with Diehl Defence with the receipt of a new order, amounted to 14.2 million Euros, for the production of crucial electronic missile components of the IRIS-T family of missile systems. This new success is a result of IDE’s continuous efforts and investment in the development and manufacturing of advanced technology products for the most demanding environments

December 2022: Intracom Defense (IDE) announces a new contract award by Raytheon Technologies amounted to 10.1 million Euros for the production of electronic missile components - VSA (Video Sampler Assembly).

The new contracts signed by the Company in 2022 amounted to € 57,3 million EUR.

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, Frontex and EDIDP).
- 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 31.12.2022, the backlog of the Company's agreements was worth a total of € 87 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

Based on data from the International Institute for Strategic Studies (IISS), the trends in global military spending in 2022 are briefly described as follows:

Global defense spending for 2022 is estimated to reach $ 2 trillion, representing a nominal growth of 4% against 2021 but a reduction in real terms resulted by the surging inflation. 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 to 2020 and dropped in real terms in 2021 and 2022. In 2022, the US, which is at the top of the world military spending list, spent a total of $ 766 billion (5.8% cut in real terms), which accounts for more than one third (2022: 38%) of global spending, and more than 3 times higher than expenditures of China, which remains second in the world ranking. Regionally, in real terms, percentage increases in military spending in 2022 compared to the previous year (2021) were made in Asia, driven by China, Japan and Taiwan and in Europe, mainly driven by Russia, Germany and Poland and also by increases in around 20 European countries. High inflation rates resulted in real contractions in spending in almost all other regions though there were nominal increases across many of them.

Economic Environment

The beginning of 2022 was marked by Russia's invasion of Ukraine. During a period when Europe, and the rest of the world, is still recovering from the Covid-19 pandemic, this war, which is perhaps the most important challenge at the moment at the global level, has occurred and led to further enhancing of socio-economic instability.

The combination of recent geopolitical tensions, along with the current energy crisis and sustained high inflation, are not only perpetuating, but further enhancing global supply chain disruption and thereby increasing production costs.

On the other hand, as a direct result of the Russian invasion of Ukraine, actions to strengthen the defense capabilities of both the European Union and the rest of the world are intensifying. For instance, according to the European Defense Agency, EU member states have already announced increases in their defense budgets of around EUR 200 billion over the next few years.

The Company constantly monitors the evolution of macro-economic parameters and the effect they may have on its activities and adjusts its actions, at operational level, based both on current and on predicted needs.

The Company has proven its ability to cope with difficulties and grow even during the recent Covid-19 crisis. Both on 31.12.2022 and today, the Company's financial position and liquidity, remain satisfactory in order to guarantee its normal activity.

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

Intracom Defense (IDE), like the Intracom Holdings Group, attaches primary importance to the values of environmental responsibility and systematically seeks to minimize its impact on the environment.

For this purpose, IDE has developed and implements Environmental Management Systems (EN ISO 14001:2015) in order to be able to identify potential impacts created by its business activities on the natural environment and to ensure the continuous improvement of environmental performance through the establishment of specific environmental objectives and the documentation and monitoring of programs that seek to achieve these objectives.

In this context, methods have been defined and documented for the identification and evaluation of all environmental issues arising from the Company's activities, as well as the relevant environmental impacts.

The assessment is based on predefined criteria including the standard environmental commitments arising from the (two) operating licenses of the Company, applicable legal and other regulatory requirements.

Continuous information on developments and future trends in national and EU environmental legislation is achieved through access to legal databases.

The company is committed to the following in relation to its activities:

- Recognize and fully comply with the Environmental Legislation (Greek, European, and International) that governs the company's activities.
- Recognize and evaluate the Environmental Aspects of its activities.
- Recognize the Environmental Impacts arising from the Environmental Aspects and take all necessary actions to minimize them
- Monitor and measure Significant Environmental Impacts.
- To continuously improve its environmental investments.
- Set clear, measurable, achievable, realistic, and time-bound Goals and Objectives and take all necessary action to achieve them.
- To train and raise awareness of Environmental Management issues and the achievement of Environmental Goals and Objectives among all company employees.
- To provide the resources required for the implementation of the Environmental Management and Protection System and for the achievement of the Environmental Goals and Objectives.
- To implement and continuously improve the Environmental Management System.
- To use its resources properly and sustainably.
- To reduce the impact and adaptation to climate change.
- To protect biodiversity and ecosystems.
- The design and implementation of the Energy Management System ISO 50001/2018.

The Company also promotes the following Environmental Actions:

- Waste Management
- Rational Recycling and the Circular Economy
- Ecological Product Design (e.g. hybrid energy systems)

- Generation of Green Energy through the PV system installed in its facilities
- Watering of green spaces from licensed boreholes
- Conservation of natural resources and reduction of Carbon Footprint (investment 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 31.12.2022 and 31.12.2021 reached 454 and 435 employees respectively.

Directors' remuneration and key management compensation (wages and salaries) amounted to € 1.051.769 during the year 2022 in comparison to € 976.494 during the previous year. During the current year, shares amounted to € 6.435.955,10 have been distributed to Key Management Personnel and Members of BoD. There were no receivables or payables from or to the management at year end.

Dear Shareholders,

The Board of Directors will suggest to the Shareholders General Meeting not to distribute dividends for the current fiscal year 01.01.2022-31.12.2022.

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 31/12/2022.

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 2022 to 31 December 2022.

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, 26 April 2023

THE VICE CHAIRMAN OF THE BoD
AND MANAGING DIRECTOR
(CEO)

GEORGE TROULLINOS

B) Independent Auditors' Report

To the Shareholders of INTRACOM DEFENSE S.A.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of INTRACOM DEFENSE S.A. (the Company), which comprise the balance sheet as at 31 December 2022, 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 S.A. as at 31 December 2022, 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 31.12.2022.

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

Athens, 27 April 2023

EFTHYMIOS P. TZORTZIS
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C) Annual Financial Statements in accordance with IFRS

Contents

Balance Sheet

Amounts in euro	Note	31/12/2022	31/12/2021
ASSETS			
Non-current assets			
Property, plant and equipment	6	33.267.323	32.223.845
Right-of-use assets	7	307.345	401.235
Other intangible assets	8	605.239	624.038
Investment property	9	3.335.879	1.507.107
Deferred income tax assets	10	3.924.094	4.524.350
Total		**41.439.880**	**39.280.574**
Current assets			
Inventories	12	30.789.228	32.551.253
Trade and other receivables	11	11.519.015	27.857.398
Cash and cash equivalents	13	14.654.303	20.100.370
Total		**56.962.545**	**80.509.020**
Total assets		**98.402.425**	**119.789.594**
EQUITY			
Share capital	14	58.197.224	52.906.568
Other reserves	15	9.425.864	9.754.135
Retained earnings		4.621.022	5.851.393
Total equity		**72.244.110**	**68.512.096**
LIABILITIES			
Non-current liabilities			
Lease liabilities	7	190.404	272.915
Retirement benefit obligations	16	1.881.813	1.890.683
Government grants	17	-	866.310
Long-term provisions for other liabilities and charges	18	219.991	288.490
Trade and other payables	19	4.064.745	14.060
Total		**6.356.952**	**3.332.457**
Current Liabilities			
Trade and other payables	19	16.924.108	44.275.011
Current income tax liabilities		102.216	298.669
Lease liabilities	7	132.590	140.598
Government grants	17	2.400.411	2.757.538
Short-term provisions for other liabilities and charges	18	242.036	473.223
Total		**19.801.363**	**47.945.040**
Total liabilities		**26.158.315**	**51.277.497**
Total liabilities			
Total equity and liabilities		**98.402.425**	**119.789.594**

The notes on pages 24 to 60 are an integral part of these financial statements.

Statement of Comprehensive Income

Amounts in euro	Note	1/1-31/12/2022	1/1-31/12/2021
Sales	20	66.565.198	59.651.865
Cost of goods sold	21	(49.514.630)	(45.517.244)
Gross profit		**17.050.568**	**14.134.622**
Selling and research costs	21	(15.196.182)	(11.434.626)
Administrative expenses	21	(10.239.076)	(3.487.090)
Impairment losses on trade receivables and reversals	23	(39.920)	32.477
Other income	24	2.766.329	1.599.739
Other gains/(losses) - net	25	301.928	87.780
Impairment losses from tangible assets and investment property / Reversal	6, 9	3.312.604	-
Operating profit		**(2.043.748)**	**932.902**
Finance income	26	395.886	668.901
Finance cost	26	(164.755)	(172.856)
Finance costs - net	26	**231.132**	**496.045**
Profit before income tax		**(1.812.616)**	**1.428.946**
Income tax expense	27	(745.265)	(794.421)
Profit after tax for the period		**(2.557.881)**	**634.525**
Other comprehensive income:			
Available-for-sale financial assets - Fair value gains			
Actuarial gain/losses	16	136.522	(37.189)
Other comprehensive income, net of tax:		**136.522**	**(37.189)**
Total comprehensive income for the period		**(2.421.359)**	**597.336**

The notes on pages 24 to 60 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 2021		**52.906.568**	**9.738.750**	**5.769.442**	**68.414.760**
Actuarial gains/ (losses), net of tax	15		(37.189)		(37.189)
Profit for the period				634.525	634.525
Total comprehensive income for the period			**(37.189)**	**634.525**	**597.336**
Statutory reserves formation	15		52.575	(52.575)	-
Dividends				(500.000)	**(500.000)**
Balance at 31 December 2021		**52.906.568**	**9.754.135**	**5.851.393**	**68.512.096**
Balance at 1 January 2022		**52.906.568**	**9.754.135**	**5.851.393**	**68.512.096**
Actuarial gains/ (losses), net of tax	15		136.522	-	136.522
Profit for the period				(2.557.881)	(2.557.881)
Total comprehensive income for the period			**136.522**	**(2.557.881)**	**(2.421.359)**
Share capital issuance	14,15	5.290.656	(520.521)	(5.048.590)	(278.456)
Share capital issuance expenses				(4.127)	(4.127)
Statutory reserves formation	15		55.729	(55.729)	-
Fair value of shares allocated to staff	14,22		-	6.435.955	6.435.955
Balance at 31 December 2022		**58.197.224**	**9.425.864**	**4.621.022**	**72.244.110**

The notes on pages 24 to 60 are an integral part of these financial statements.

Cash flow statement

Amounts in euro	Note	1/1-31/12/2022	1/1-31/12/2021
Cash flows from operating activities			
Cash generated from operations	28	(4.922.530)	3.450.788
Financial expenses paid		(164.755)	(172.856)
Financial income received		217.102	618.968
Income tax paid		(378.805)	97.188
Net cash from operating activities		**(5.248.987)**	**3.994.087**
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(905.283)	(4.535.563)
Purchase of intangible assets	8	(254.251)	(262.520)
Interest income received		62.861	4.967
		(1.096.673)	**(4.793.116)**
Cash flows from financing activities			
Expenses on issue of share capital		(5.291)	-
Dividends paid to group shareholders		-	(500.000)
Government grants received	17	1.218.412	410.140
Principal elements of lease payments	7	(150.995)	(144.817)
Withholding tax on capitalization of retained earnings & reserves		(278.456)	-
Net cash used in financing activities		**783.671**	**(234.676)**
Net (decrease) / increase in cash & cash equivalents		**(5.561.990)**	**(1.033.705)**
Cash and cash equivalents at beginning of the period		20.100.370	21.089.108
Effects of exchange rate changes on cash and cash equivalents	26	115.923	44.966
Cash and cash equivalents at end of the period	**13**	**14.654.303**	**20.100.370**

The notes on pages 24 to 60 are an integral part of these financial statements.

Notes to the Financial Statements for the year ended December 31, 2022

1. General Information

INTRACOM DEFENSE S.A. (“IDE”, “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 systems and related 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 major shareholder owned 90,91% of the Company’s share capital is "INTRACOM TECHNOLOGIES S.a.r.l." based in Luxembourg. "INTRACOM TECHNOLOGIES S.a.r.l." is a subsidiary of "INTRACOM HOLDINGS S.A." with distinctive name "INTRACOM HOLDINGS. The percentage of participation of INTRACOM HOLDINGS in INTRACOM TECHNOLOGIES S.a.r.l amounts to 90,91%.

The Company is fully consolidated in the consolidated financial statements of Intracom Holdings.

These financial statements have been approved for issue by the Board of Directors on 26 April 2023, 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 2022 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 2022, are consistent with those described in the published financial statements for the year ended 31 December 2021, 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 2022.

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 2022. The Company has not previously adopted some other standard, interpretation or amendment issued but is not obligatory to be applied for the fiscal year 2022.

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

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 recognize such sales proceeds and related cost in profit or loss. The amendments had no impact on 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 had no impact on the Company's financial statements.

IFRS 16 Leases: “COVID-19-Related Rent Concessions” - Extension of application period

The amendment extends the practical expedient for rent concessions by one year to cover rent reductions due on or before 30 June 2022 and is effective from annual accounting periods starting on or after 1 April 2021. The amendments had no impact on the Company's financial statements.

Annual Improvements 2018-2020

Annual Improvements to IFRS standards 2018 – 2020 were issued by the IASB on 14 May 2020, are applicable for annual periods beginning on or after 1 January 2022. These amendments had no impact on 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.

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 IFRS 16 Leases: Lease Liability in a Sale and Leaseback

Amendments to IFRS 16 Leases impact how a seller-lessee accounts for variable lease payments that arise in a sale-and-leaseback transaction. The amendments are effective to annual periods beginning on or after 1 January 2024 and will not affect the Company's financial statements. This amendment has not been adopted by the European Union.

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)

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 financial statements 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. Specifically, land and buildings are measured either at their acquisition cost or at the deemed cost that was attributed to them on the date of the first transition to the International Financial Reporting Standards (IFRS) (i.e., they were assessed at their fair value based on a study by recognized independent real estate appraisers during the transition to IFRS).

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. An impairment reversal is recognized on Statement of Comprehensive Income.

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 the deemed cost that was attributed to them on the date of the first transition to the International Financial Reporting Standards (IFRS) (i.e., they were assessed at their fair value based on a study by recognized independent real estate appraisers during the transition to IFRS).

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. An impairment test is taken place by independent real estate appraisers on a yearly basis, in to determine if there are any indications of impairment.

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. An impairment reversal is recognized on Statement of Comprehensive Income.

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 contracts 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 2022 and 2021. This analysis took into account the Company's cash reserves and trade receivables and liabilities in USD on 31 December 2022 and 2021 respectively.

Change in EUR/USD rate by	Effect on net results 31/12/2022	Effect on net results 31/12/2021
3,00%	(141.362)	318.787
6,00%	(282.723)	637.575
9,00%	(424.085)	956.362
12,00%	(565.447)	1.275.149
-3,00%	141.362	(318.787)
-6,00%	282.723	(637.575)
-9,00%	424.085	(956.362)
-12,00%	565.447	(1.275.149)

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 2022 and 2021. This analysis took into account the cash reserves of the Company as at 31 December 2022 and 2021 respectively.

Financial instruments in Euro

Interest rates cahnge (base units)	Effect on net results 31/12/2022	Effect on net results 31/12/2021
(100)	(45.554)	(131.839)
(75)	(34.166)	(98.879)
(50)	(22.777)	(65.920)
(25)	(11.389)	(32.960)
25	11.389	32.960
50	22.777	65.920
75	34.166	98.879
100	45.554	131.839

Financial instruments in USD

Interest rates cahnge (base units)	Effect on net results 31/12/2022	Effect on net results 31/12/2021
(100)	(102.929)	(71.838)
(75)	(77.197)	(53.879)
(50)	(51.465)	(35.919)
(25)	(25.732)	(17.960)
25	25.732	17.960
50	51.465	35.919
75	77.197	53.879
100	102.929	71.838

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 ongoing war in Ukraine, as well as some continuing effects of the Covid-19 pandemic, 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.

3.3 Economic environment

The beginning of 2022 was marked by Russia's invasion of Ukraine. During a period when Europe, and the rest of the world, is still recovering from the Covid-19 pandemic, this war, which is perhaps the most important challenge at the moment at the global level, has occurred and led to further enhancing of socio-economic instability.

The combination of recent geopolitical tensions, along with the current energy crisis and sustained high inflation, are not only perpetuating, but further enhancing global supply chain disruption and thereby increasing production costs.

On the other hand, as a direct result of the Russian invasion of Ukraine, actions to strengthen the defense capabilities of both the European Union and the rest of the world are intensifying. For instance, according to the European Defense Agency, EU member states have already announced increases in their defense budgets of around EUR 200 billion over the next few years.

The Company constantly monitors the evolution of macro-economic parameters and the effect they may have on its activities and adjusts its actions, at operational level, based both on current and on predicted needs.

The Company has proven its ability to cope with difficulties and grow even during the recent Covid-19 crisis. Both on 31.12.2022 and today, the Company’s financial position and liquidity, remain satisfactory in order to guarantee its normal activity.

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 2.4.5, 2.4.6 and 2.4.8.

4.2 Estimated net realizable value of inventories

Under the accounting policy referred to in paragraph 2.4.11, 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 2.4.10).

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(*)	
	1/1-31/12/2022	1/1-31/12/2021	31/12/2022	31/12/2021
Greece	1.389.615	2.699.883	37.515.785	34.756.224
European Union	4.538.133	9.625.854	-	-
Other European countries	8.710	50.109	-	-
Other countries	60.628.740	47.276.019	-	-
Total	**66.565.198**	**59.651.865**	**37.515.785**	**34.756.224**

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	Prepayments and assets under construction	Total
Cost						
Balance at 1 January 2021	**53.918.909**	**15.336.843**	**163.836**	**3.937.595**	**-**	**73.357.184**
Additions	35.916	336.033	-	635.417	3.298.880	4.306.246
Sales of assets / Write offs	-	(675)	-	(166.208)	-	(166.883)
Reclassifications	-	-	-	-	-	-
Transfer to investment property (note 9)	-	-	-	-	-	-
Balance at 31 December 2021	**53.954.824**	**15.672.201**	**163.836**	**4.406.804**	**3.298.880**	**77.496.546**
Accumulated depreciation						
Balance at 1 January 2021	**26.500.663**	**14.132.257**	**161.962**	**3.363.670**	**-**	**44.158.552**
Depreciation charge	**766.640**	253.050	776	260.225	-	1.280.691
Sales of assets / Write offs	-	(675)	-	(165.867)	-	(166.542)
Balance at 31 December 2021	**27.267.304**	**14.384.632**	**162.738**	**3.458.027**	**-**	**45.272.701**
Net book amount at 31 December 2021	**26.687.521**	**1.287.569**	**1.099**	**948.776**	**3.298.880**	**32.223.845**
Cost						
Balance at 1 January 2022	**53.954.824**	**15.672.201**	**163.836**	**4.406.804**	**3.298.880**	**77.496.546**
Additions	24.604	629.688	-	182.437	39.705	876.433
Sales of assets / Write offs	-	(372.994)	-	(84.172)	-	(457.165)
Reclassifications	3.338.585	-	-	-	(3.338.585)	-
Transfer to investment property (note 9)	(3.338.585)	-	-	-	-	(3.338.585)
Balance at 31 December 2022	**53.979.428**	**15.928.895**	**163.836**	**4.505.069**	**-**	**74.577.230**
Accumulated depreciation						
Balance at 1 January 2022	**27.267.304**	**14.384.632**	**162.738**	**3.458.027**	**-**	**45.272.701**
Depreciation charge	734.836	269.405	785	275.434	-	1.280.460
Impairment	(4.787.306)	-	-	-	-	(4.787.306)
Sales of assets / Write offs	-	(372.993)	-	(82.955)	-	(455.948)
Balance at 31 December 2022	**23.214.833**	**14.281.045**	**163.523**	**3.650.506**	**-**	**41.309.907**
Net book amount at 31 December 2022	**30.764.595**	**1.647.851**	**313**	**854.563**	**-**	**33.267.323**

The Company carried out an assessment of revaluation of land, buildings and investment property at 31 December 2022, by appointing independent professional valuers to determine their fair value. As recoverable amount of land, buildings and investment property was used the fair value less cost of disposal, which is estimated to approximate its value in use. The cost of disposal was considered negligible (zero). A revaluation profit was recognized in the results of the current year amounting to € 3.312.604. Specifically, a revaluation gain of € 4.787.306 increased the own-used property of the Company, in partial reversal of previous recognized impairment loss, and is shown in “Property, plant and equipment” and an impairment loss of € 1.474.702 is shown in “Investment property” (note 9).

The fair value was estimated using level 2 inputs of the fair value hierarchy. Fair value was estimated based on market data, using comparable adjusted prices in relation to the nature, location and condition of the property.

The fair value estimation of the Company's property was based on the unit's leasehold value of comparable property per square meter, adjusted to reflect the nature and the condition of the Company's assets, while the fair value estimation of the remaining building co-efficient was based on selling price of comparable land.

Specifically:

Fixed Assets *(Owned Properties)*	**Fair Value (Euro/sqm)**
Production	897
Offices	1243-1381
Storage	435-621

The fair value of Rest of Coverage Coefficient amounts to € 1.114.350.

Investment property	**Fair Value (Euro/sqm)**
Land	282
Non-Buildable Land	57
Storage/Laboratories	621
Storage/Offices	148-1242

There are no real lines on the above assets.

At 31.12.2022 the Company had no contractual obligations for purchase of PPE assets.

7. Right-of-use assets

Amounts in euro	**Right-of-use Motor vehicles**	**Right-of-use Printers**	**Total**	**Lease liabilities**
Balance at 1 January 2021	363.305	-	363.305	368.275
Additions	155.528	32.780	188.308	188.308
Changes in lease terms	1.312	-	1.312	1.747
Depreciation	(145.134)	(6.556)	(151.690)	-
Interest (note 26)				23.824
Payments				(168.640)
Balance at 31 December 2021	**375.011**	**26.224**	**401.235**	**413.513**
Balance at 1 January 2021	375.011	26.224	401.235	413.513
Additions	69.515	2.405	71.920	71.920
Changes in lease terms	(10.076)	-	(10.076)	(11.444)
Depreciation	(148.884)	(6.849)	(155.733)	-
Interest (note 26)			-	20.944
Payments			-	(171.939)
Balance at 31 December 2022	**285.565**	**21.780**	**307.345**	**322.994**

The lease liabilities are as follows:

Amounts in euro	31/12/2022	31/12/2021
Current lease liabilities	132.590	140.598
Non-current lease liabilities	190.404	272.915
Total	**322.994**	**413.513**

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

Amounts in euro	31/12/2022	31/12/2021
Not later than one month	12.486	15.071
Later than one month and not later than three months	24.655	28.348
Later than three months and not later than one year	108.558	115.497
Later than one year and not later than five years	199.028	289.123
Total contractual cash flows	**344.727**	**448.039**

Reconciliation of liabilities arising from financing activities

Amounts in euro	31/12/2021	Cash flows from financing activities	Non-cash Changes		31/12/2022
			Additions	Changes in lease terms	
Lease liabilities	413.513	(150.995)	71.920	(11.444)	**322.994**
Government grants received		1.218.412			
Total liabilities from financing activities	**413.513**	**1.067.417**	**71.920**	**(11.444)**	**322.994**

8. Intangible assets

Amounts in euro	Software	Prepayments and intagible assets under development	Total
Cost			
Balance at 1 January 2021	4.092.875	27.700	4.160.814
Additions	161.570	51.452	213.022
Disposals	(214.367)	-	(214.367)
Reclassifications	50.081	(50.081)	-
Balance at 31 December 2021	**4.090.158**	**29.071**	**4.159.469**
Accumulated depreciation			
Balance at 1 January 2021	**3.431.967**	**-**	**3.472.207**
Depreciation charge	277.591	-	277.591
Disposals	(214.367)	-	(214.367)
Balance at 31 December 2021	**3.495.191**	**-**	**3.535.431**
Net book amount at 31 December 2021	**594.967**	**29.071**	**624.038**
Cost			
Balance at 1 January 2022	**4.090.158**	**29.071**	**4.159.469**
Additions	235.240	37.217	272.457
Disposals	(366.577)	-	(366.577)
Reclassifications	66.288	(66.288)	-
Balance at 31 December 2022	**4.025.109**	**-**	**4.065.349**
Accumulated depreciation			
Balance at 1 January 2022	**3.495.191**	**-**	**3.535.431**
Depreciation charge	291.255	-	291.255
Disposals	(366.577)	-	(366.577)
Balance at 31 December 2022	**3.419.870**	**-**	**3.460.109**
Net book amount at 31 December 2022	**605.239**	**-**	**605.239**

9. Investment Property

Amounts in euro	31/12/2022	31/12/2021
Cost		
Balance at beginning of year	**2.716.206**	**2.716.206**
Transfer from PPE (note 6)	3.338.585	-
Balance at end of year	**6.054.790**	**2.716.206**
Accumulated depreciation		
Balance at beginning of year	**1.209.099**	**1.173.989**
Depreciation charge	35.110	35.110
Impairment / Reversal	1.474.702	-
Balance at end of year	**2.718.912**	**1.209.099**
Net book amount at end of year	**3.335.879**	**1.507.107**

The carrying value of investment property approximates their fair value. For the impairment loss/ reversal which is amounted to € 1.474.702, please see note 6.

Rental income for 2022 and 2021 amounted to € 111.486 and € 104.279 respectively (note 24).

The minimum future rental income is as follows:

Amounts in euro	31/12/2022	31/12/2021
Up to 1 year	94.615	111.044
Later than 1 year and no later than 2 years	91.015	88.364
Later than 2 years and no later than 3 years	75.846	88.364
Later than 3 years and no later than 4 years	-	73.637
Later than 3 years and no later than 5 years	-	-
Total	**261.476**	**361.409**

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	31/12/2022	31/12/2021
Deferred tax assets:	(4.966.654)	(5.596.169)
Deferred tax liabilities:	1.042.559	1.071.819
	(3.924.094)	**(4.524.350)**

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	31/12/2022	31/12/2021
Balance at the beginning of the year:	**(4.524.350)**	**(4.892.180)**
Income statement charge (Note 27)	561.749	351.396
Charged/ (credited) to the other Comprehensive income	38.506	16.435
Balance at the end of the year	**(3.924.094)**	**(4.524.350)**

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 2021	**1.189.007**	**1.189.007**
Charged / (credited) to the income statement	(117.188)	(117.188)
Balance at 31 December 2021	**1.071.819**	**1.071.819**
Balance at 1 January 2022	**1.071.819**	**1.071.819**
Change in accounting policy		
Charged / (credited) to the income statement	**(29.260)**	**(29.260)**
Balance at 31 December 2022	**1.042.559**	**1.042.559**

Deferred tax assets:	Impairments of Land	Impairments of inventories	Impairments of receivables	Accrued expenses	Provisions	Other	Total
Balance at 1 January 2021	**(2.551.553)**	**(2.798.832)**	**-**	**(435.702)**	**(251.395)**	**(43.705)**	**(6.081.188)**
Charged / (credited) to the income statement	212.629	119.731	-	3.317	83.819	49.088	468.584
Charge in the other Comprehensive income	-	-	-	16.435	-	-	16.435
Balance at 31 December 2021	**(2.338.923)**	**(2.679.101)**	**-**	**(415.950)**	**(167.576)**	**5.382**	**(5.596.169)**
Balance at 1 January 2022	**(2.338.923)**	**(2.679.101)**	**-**	**(415.950)**	**(167.576)**	**5.382**	**(5.596.169)**
Charged / (credited) to the income statement	728.773	(91.891)	(60.758)	(36.555)	70.780	(19.341)	591.009
Charge in the other Comprehensive income	-	-	-	38.506	-	-	38.506
Balance at 31 December 2022	**(1.610.150)**	**(2.770.992)**	**(60.758)**	**(413.999)**	**(96.796)**	**(13.959)**	**(4.966.654)**

11. Trade and other receivables

Amounts in euro	31/12/2022	31/12/2021
Trade receivables	5.699.492	8.481.684
Less: provision for impairment	(341.638)	(301.717)
Trade receivables - net	**5.357.854**	**8.179.967**
Receivables from related parties (note 30)	61.929	81.010
Prepayments to creditors	4.710.705	17.109.760
Other prepayments	279.521	256.728
Accrued income	91.918	-
V.A.T. Receivables from Tax Authorities	746.214	1.902.604
Other receivables	270.874	327.329
Total	**11.519.015**	**27.857.398**
Non-current assets	-	-
Current assets	11.519.015	27.857.398
Total	**11.519.015**	**27.857.398**

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	31/12/2022	31/12/2021
Opening loss allowance as at the beginning of the year	**301.717**	**334.195**
Increase in loss allowance recognised in profit or loss during the period	65.467	21.303
Utilised during the period	(4.244)	-
Unused amounts reversed	(21.303)	(53.780)
Balance at the year end	**341.638**	**301.717**

Trade and other receivables are denominated in the following currencies:

Amounts in euro	31/12/2022	31/12/2021
Euro	2.754.004	4.751.418
US Dollar	8.691.937	23.063.223
GBP	21.602	9.164
CHF	51.472	33.585
Other	-	8
Total	**11.519.015**	**27.857.398**

Aging analysis of trade receivables:

	31/12/2022	31/12/2021
No due and not impaired at the balance sheet date (a)	**5.100.984**	**7.082.298**
Impaired trade receivables at the balance sheet date	(276.171)	(280.414)
Provisions for impairments	(65.467)	(21.303)
Total (b)	**(341.638)**	**(301.717)**
Balances not impaired at the balance sheet date but are due:		
<90 days	152.409	840.954
90-180 days	95.485	183.865
180-270 days	3.930	39.257
270-365 days	5.011	18.017
1- 2 years	40.275	19.274
>2 years	301.397	298.019
Total (c)	**598.508**	**1.399.386**
Total Trade Receivables (a+b+c)	**5.357.854**	**8.179.967**

12. Inventories

Amounts in euro	31/12/2022	31/12/2021
Raw & auxiliary materials	24.695.222	22.623.170
Semi-finished goods	15.538.820	18.105.803
Finished goods	1.484.786	1.665.295
Work in progress	1.659.654	2.328.279
Merchandise	6.164	6.437
Total	**43.384.645**	**44.728.985**
Less: Provisions for obsolete inventories		
Raw & auxiliary materials	7.109.300	7.034.034
Semi-finished goods	4.857.712	4.427.896
Finished goods	628.406	715.802
Total	**12.595.417**	**12.177.732**
Net realisable value	**30.789.228**	**32.551.253**

The movement of the provision is as follows:

Amounts in euro	31/12/2022	31/12/2021
At the beginning of the year	12.177.732	11.661.802
Provision for impairment	1.204.370	1.146.019
Amount of provision reversed during the year	(786.684)	(630.089)
At the year end	**12.595.417**	**12.177.732**

13. Cash and cash equivalent

Amounts in euro	31/12/2022	31/12/2021
Cash in hand	21.370	10.136
Cash at bank	1.601.056	13.380.010
Short-term bank deposits	13.031.877	6.710.224
Total	**14.654.303**	**20.100.370**

The effective interest rate on short-term bank deposits in Euro and USD was 0,15% and 0,65% respectively (2021: 0,05% and 0,06% 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	31/12/2022	31/12/2021
Euro (EUR)	4.493.035	13.003.323
US Dollar (USD)	10.151.945	7.085.418
UK Pound (GBP)	8.210	11.268
Bulgarian Leva (BGN)	5	5
Poland Zloty (PLN)	49	50
Other	1.058	306
Total	**14.654.303**	**20.100.370**

14. Share capital

Amounts in euro	Number of Shares	Common Shares	Total
Balance at 1 January 2021	23.103.305	2,29	52.906.568
Balance at 31 December 2021	23.103.305	2,29	52.906.568
Issue of Share Capital	2.310.330	2,29	5.290.656
Balance at 31 December 2022	**25.413.635**	**2,29**	**58.197.224**

With the decision of the Annual General Meeting of the Company's shareholders on 15.03.2022, it was decided to increase the Company's share capital, by the amount of € 5.290.655,70 by issuing 2.310.330 new common registered shares, with a nominal value of two euros and twenty nine cents (€ 2,29) each, covered by partial capitalization of retained earnings (amounting to € 4.796.160,46) and tax reserves (amounting to € 494.495,24).

These shares were distributed to Company's Key Personnel. According to the relevant decision of the Board of Directors the date that these shares were distributed to the beneficiaries was the 7th of April 2023.

The Company considers that the distributed shares have vested on 7/4/23, because the employees are not required to serve the company for a specific period as the services offered by the beneficiaries in exchange of the distributed shares have already been provided.

The Company fully recognized the received services, at the fair value of distributed shares amounted to € 6.435.955, in the results of year 2022 as Employee benefits (note 22) with a corresponding increase of the Retained Earnings on the distribution date.

Both discounted cash flow (DCF) and market (CMM) techniques were used to measure the fair value of the distributed shares and were based on unobservable inputs (level 3 elements of the fair value hierarchy).

The significant unobservable inputs used to measure fair value are as follows:

Discounted Cash Flow Method (DCF)	
WACC	9,76%
Long-term revenue growth rate	1,50%
EBITDA margin	10,80%

Capability Maturity Model (CMM)	
Revenue multiple	1,7
EBITDA multiple	11,2
EBIT multiple	12,8

15. Reserves

Amounts in euro	Statutory reserves	Tax free reserves	Extraordinary reserves	Actuarial gains/ (losses) reserve	Total
Balance at 1 January 2021	**920.934**	**9.274.814**	**341.041**	**(798.040)**	**9.738.750**
Transfer from retained earnings	52.575	-	-	-	**52.575**
Actuarial gains/ (losses)	-	-	-	(37.189)	**(37.189)**
Other Changes	-	(179.480)	179.480	-	-
Balance at 31 December 2021	**973.509**	**9.095.334**	**520.521**	**(835.229)**	**9.754.135**
Balance at 1 January 2022	**973.509**	**9.095.334**	**520.521**	**(835.229)**	**9.754.135**
Statutory reserve formation	55.729	-	-	-	**55.729**
Actuarial gains/ (losses)	-	-	-	136.522	**136.522**
Transfer to retained earnings	-	-	(520.521)	-	**(520.521)**
Balance at 31 December 2022	**1.029.237**	**9.095.334**	**-**	**(698.707)**	**9.425.864**

(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.

In year 2021 an amount of 179.480 € was transferred from Tax Free Reserves to the Extraordinary Reserves, due to finalization of tax audit and payment of the corresponding tax (recovery of tax free reserves Law 3614-2007).

(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	31/12/2022	31/12/2021
Balance sheet obligations for :		
Pension benefits	1.881.813	1.890.683
Total	**1.881.813**	**1.890.683**
Income statement charge		
Pension benefits (note 22)	250.158	343.317
Total	**250.158**	**343.317**
Actuarial (gains) / losses (Other comprehensive income)		
Pension benefits	(175.028)	20.754
Total	**(175.028)**	**20.754**

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

Amounts in euro	31/12/2022	31/12/2021
Present value of unfunded obligations	1.881.813	1.890.683
Liability in the Balance Sheet	**1.881.813**	**1.890.683**

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

Amounts in euro	1/1-31/12/2022	1/1-31/12/2021
Current service cost	172.527	166.621
Interest cost	11.344	10.893
Losses from settlements	66.287	165.803
Total, included in staff costs (note 22)	**250.158**	**343.317**

The total charge is allocated as follows:

Amounts in euro	1/1-31/12/2022	1/1-31/12/2021
Cost of goods sold	115.413	205.432
Selling and research costs	93.988	117.576
Administrative expenses	40.757	20.308
Total	**250.158**	**343.317**

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

Amounts in euro	31/12/2022	31/12/2021
Balance at the beginning of the year	**1.890.683**	**1.815.425**
Total expense charged / (credited) in the income statement	250.158	343.317
Contributions paid	(84.001)	(288.813)
Total	**2.056.841**	**1.869.929**
Actuarial gains/ (losses) from changes in financial assumptions	(158.374)	1.702
Other Actuarial gains/ (losses)	(16.654)	19.052
Balance at the end of the year	**1.881.813**	**1.890.683**

The principal actuarial assumptions used are as follows:

	31/12/2022	31/12/2021
	%	%
Discount rate	2,80%	0,60%
Inflation rate	2,20%	1,80%
Future salary increases	2,40%	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	**31/12/2022**	**31/12/2021**	**31/12/2022**	**31/12/2021**	**31/12/2022**	**31/12/2021**
Discount rate	0,50%	0,50%	2% decrease	3% decrease	2% increase	3% increase
Future salary increases	0,50%	0,50%	4% increase	2% increase	4% decrease	2% decrease

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

	31/12/2022	31/12/2021
	years	years
Pension benefits	4,45	5,23

17. Grants

Amounts in euro	31/12/2022	31/12/2021
Balance at 1 January 2019	**3.623.848**	**4.567.908**
Additions	1.218.412	410.140
Charged to the income statement	(2.441.849)	-1.354.201
Utilised during the year	**2.400.411**	**3.623.848**
Current liabilities	2.400.411	2.757.538
Non- current liabilities	-	866.310
Total	**2.400.411**	**3.623.848**

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 2021	**930.303**	**117.179**	**1.047.482**
Additional provision for the period	288.490	-	288.490
Unused amounts reversed	(352.238)	-	(352.238)
Utilised during the year	(222.022)	-	(222.022)
Balance at 31 December 2021	**644.533**	**117.179**	**761.712**
Additional provisions	355.154	22.046	377.200
Unused amounts reversed	(344.366)	-	(344.366)
Utilised during the year	(215.340)	(117.179)	(332.519)
Balance at 31 December 2022	**439.982**	**22.046**	**462.027**

Analysis of total Provisions:

Amounts in euro	31/12/2022	31/12/2021
Current liabilities	242.036	473.223
Non- current liabilities	219.991	288.490
Total	**462.027**	**761.712**

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

19. Trade and other payables

Amounts in euro	31/12/2022	31/12/2021
Trade payables	8.307.512	3.929.512
Trade payables-Purchases in transit	(1.162.608)	(121.143)
Amounts due to related parties (note 30)	493.203	371.068
Accrued expenses	128.248	142.892
Social security and other taxes	1.231.810	1.118.050
Advances from customers	11.965.202	38.828.051
Other payables	25.486	20.641
Total	**20.988.853**	**44.289.071**
Non-current liabilities	4.064.745	14.060
Current liabilities	16.924.108	44.275.011
Total	**20.988.853**	**44.289.071**

The increase in trade payables is mainly due to the receipt of many materials near the end of the year.

The decrease in customer advances is due to the implementation of projects undertaken by the company for which Company has received advances. The non-current liabilities related to advances from customers.

Trade and other payables are denominated in the following currencies:

Amounts in euro	31/12/2022	31/12/2021
Euro (EUR)	6.281.194	3.414.667
US Dollar (USD)	14.131.826	40.774.884
UK Pound (GBP)	575.833	99.519
Other	-	1
Total	**20.988.853**	**44.289.071**

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	1/1-31/12/2022	1/1-31/12/2021
Sales of products	64.036.195	56.080.317
Revenue from services	2.529.003	3.571.548
Total	**66.565.198**	**59.651.865**

21. Expenses by nature

Amounts in euro	Note	1/1-31/12/2022	1/1-31/12/2021
Employee benefit expense	22	(23.963.000)	(16.468.669)
Inventory cost recognised in cost of goods sold		(40.834.964)	(33.153.461)
Depreciation of property, plant and equipment	6	(1.280.460)	(1.280.691)
Depreciation of right-of-use assets	7	(155.733)	(151.690)
Depreciation of investment property	9	(35.110)	(35.110)
Amortisation of intangible assets	8	(291.255)	(277.591)
Impairment of Inventories	12	(1.204.370)	(1.146.019)
Reversal of Inventories write down	12	786.684	630.089
Subcontractors		(2.136.829)	(2.903.287)
Rrepair and maintenance expenses of PPE		(1.401.748)	(1.207.943)
Short-term leases		(16.198)	(46.999)
Leases of low-value underlying assets		(10.149)	(2.074)
Transportation and travelling expenses		(1.272.810)	(1.014.665)
Telecommunication, lighting & heating		(1.037.894)	(923.102)
Third party fees		(1.138.596)	(1.212.230)
Hospitality Expenses, conferences, exhibitions, advertising, etc.		(557.277)	(668.375)
Taxes and duties		(7.037)	(130.443)
Other expenses		(393.141)	(446.699)
Total		**(74.949.887)**	**(60.438.960)**

Amounts in euro	1/1-31/12/2022	1/1-31/12/2021
Split by function:		
Cost of goods sold	(49.514.630)	(45.517.244)
Selling and research costs	(15.196.182)	(11.434.626)
Administrative expenses	(10.239.076)	(3.487.090)
Total	**(74.949.887)**	**(60.438.960)**

Amounts in euro	1/1-31/12/2022	1/1-31/12/2021
Split of depreciation and amortisation by function:		
Cost of goods sold	(758.901)	(732.908)
Selling and research costs	(703.924)	(806.729)
Administrative expenses	(299.734)	(205.445)
Total	**(1.762.559)**	**(1.745.082)**

22. Employee benefits

Amounts in euro	1/1-31/12/2022	1/1-31/12/2021
Wages and salaries	(13.840.361)	(12.814.417)
Social security costs	(2.849.024)	(2.681.819)
Other employers' contributions and expenses	(587.501)	(629.116)
Fair value of shares allocated to staff (note 14)	(6.435.955)	-
Pension costs - defined benefit plans (note 16)	(250.158)	(343.317)
Total	**(23.963.000)**	**(16.468.669)**

The average number of staff employed in the years 2022 and 2021 was 445 and 427 respectively, while at 31 December 2022 and 31 December 2021 the company employed 454 and 435 people respectively.

23. Net impairment gains/ (losses)

Amounts in euro	1/1-31/12/2022	1/1-31/12/2021
-Impairment gains/ (losses) on trade receivables	(61.223)	(21.303)
-Reversal of previous impairment losses	21.303	53.780
Total	**(39.920)**	**32.477**

24. Other operating income

Amounts in euro	1/1-31/12/2022	1/1-31/12/2021
Income from grants	2.653.175	1.477.093
Rental income	111.486	104.279
Insurance Compensation	592	3.224
Other	1.077	15.143
Total	**2.766.329**	**1.599.739**

25. Other gain / (losses) – net

Amounts in euro	1/1-31/12/2022	1/1-31/12/2021
Net foreign exchange gains / (losses)	301.779	88.555
Gains/ (losses) from disposal of PPE	(1.218)	(339)
(Profit)/ Loss on disposal of intangible assets	(0)	(1)
(Profit)/ Loss on disposal of right-of-use assets	1.368	(435)
Total	**301.928**	**87.780**

26. Finance costs – net

Amounts in euro	1/1-31/12/2022	1/1-31/12/2021
Finance expenses		
- Lease liabilities	(20.944)	(23.824)
- Letters of guarantee	(114.061)	(112.561)
- Other	(29.750)	(36.472)
Total	**(164.755)**	**(172.856)**
Finance income		
-Interest income	62.861	4.967
- Net profits from realized exchange differences	217.102	618.968
- Net profits from exchange rate differences in cash valuation	115.923	44.966
Total	**395.886**	**668.901**
Finance costs – net	**231.132**	**496.045**

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	1/1-31/12/2022	1/1-31/12/2021
Current tax	(183.516)	(443.025)
Deferred tax (Note 9)	(561.749)	(351.396)
Total	**(745.265)**	**(794.421)**

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	1/1-31/12/2022	1/1-31/12/2021
Profit before tax	**(1.812.616)**	**1.428.946**
Tax calculated at tax rates applicable to Greece (2022: 22%,2021: 22%)	398.775	(314.368)
Expenses not deductible for tax purposes	(1.497.846)	(14.189)
Tax deduction from Research and Development expenses	220.000	-
Differences from changes in tax rates	-	(386.681)
Provision Differences	-	17.259
Previous years income taxes	42.175	(96.442)
Other	91.630	-
Tax charge	**(745.265)**	**(794.421)**

The greater part of the tax of the expenses not deductible for tax purposes amounts to € 1.415.910 and concerns the fair value of the stocks distributed of € 6.435.955 (note 14) which was recorded as an expense of employee benefits (note 22) and has no tax effect.

Unaudited tax years

The company has not been tax audited for fiscal years 2017-2022.

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 2017 to 2021 were issued without reservation.

The tax audit by the company's auditors for the year 2022 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. Cash generated by operations

Amounts in euro	Note	1/1-31/12/2022	1/1-31/12/2021
Profit for the year		**(2.557.881)**	**634.525**
Adjustments for:			
Tax	27	**745.265**	**794.421**
Depreciation of property, plant & equipment	6	1.280.460	1.280.691
Depreciation of investment property	9	35.110	35.110
Depreciation of right-of-use assets	7	155.733	151.690
Amortisation of intangible assets	8	291.255	277.591
Impairment losses on assets / Reversals	6, 9	(3.312.604)	-
(Profit)/ Loss on disposal of property, plant & equipment	25	1.218	339
(Profit)/loss on disposal of intangible assets	25	0	1
(Profit)/ Loss on disposal of right-of-use assets	25	(1.368)	435
Interest income	26	(395.886)	(668.901)
Interest expense	26	164.755	172.856
Amortisation of government grants	17	(2.441.849)	(1.354.201)
Exchange gains / losses		(238.456)	20.644
Fair value of shares allocated to staff	14	6.435.955	-
Impairment charges on inventories	12	417.686	515.930
		579.393	**1.861.132**
Changes in working capital			
(Increase) / decrease in Inventories		1.344.339	(3.011.378)
(Increase) / decrease in trade and other receivables		16.333.124	(1.092.617)
Increase/ (decrease) in trade and other payables		(23.045.858)	5.924.917
Increase/ (decrease) in provisions		(299.685)	(285.770)
Increase/ (decrease) in retirement benefit obligations		166.158	54.504
		(5.501.923)	**1.589.656**
Cash generated from operations		**(4.922.530)**	**3.450.788**

29. 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	31/12/2022	31/12/2021
Guarantees for advance payments	3.725.143	4.349.431
Guarantees for good performance	151.044	505.479
Guarantees for participation in contests	434.677	96.887
Total	**4.310.864**	**4.951.797**

Letters of guarantee include letters of guarantee issued to the Customs authorities concerning the import of materials under specific customs regimes. The amount of these guarantees is € 3.039.400 at 31/12/2022 and € 3.633.000 at 31/12/2021 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.

30. 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	1/1-31/12/2022	1/1-31/12/2021
Sales of goods / services:		
To INTRACOM HOLDINGS group Subsidiaries	-	-
To other related parties	177.812	164.113
Total	**177.812**	**164.113**
Purchases of goods / services:		
From parent company INTRACOM HOLDINGS	172.180	199.786
From INTRACOM HOLDINGS group Subsidiaries	618.248	946.597
From other related parties	339.491	338.403
Total	**1.129.918**	**1.484.786**
Purchases and advaced paymets for purcahasing of fixed assets:		
From parent company INTRACOM HOLDINGS	-	3.456
From INTRACOM HOLDINGS group Subsidiaries	58.141	3.232.809
Total	**58.141**	**3.236.265**
Rental Income		
From other related parties	88.806	85.943
Total	**88.806**	**85.943**

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

Amounts in euro	31/12/2022	31/12/2021
Receivables from related parties		
From INTRACOM HOLDINGS group Subsidiaries	-	-
From other related parties	61.929	81.010
Total	**61.929**	**81.010**
Payables to related parties		
To parent company INTRACOM HOLDINGS	213.503	41.203
To INTRACOM HOLDINGS group Subsidiaries	-	50.165
To other related parties	279.700	279.700
Total	**493.203**	**371.068**

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 (wages and salaries) amounted to € 1.051.769 during the year 2022 in comparison to € 976.494 during the previous year. During the current year, shares amounted to € 6.435.955 have been distributed to Key Management Personnel and Members of BoD.

31. Independent auditors' fees

The contractual fees of the auditing companies "Associate Certified Accountants S.A." & "Grant Thornton S.A." for the current and "Associate Certified Accountants SA" for the previous year are as follows:

Amounts in euro	1/1-31/12/2022	1/1-31/12/2021
Fees for the financial statements audit	60.000	30.000
Fees for the Annual Tax Certificate	60.000	30.000
Fees for the other audits	12.500	8.500
Total	**132.500**	**68.500**

32. Dividends

The Board of Directors will suggest to the Shareholders General Meeting not to distribute dividends for the current fiscal year 01.01.2022-31.12.2022.

33. Events after the financial statements date

Further to those already referred there are no significant subsequent to 31 December 2022 events, which should either be referred or that should differ the items of the published financial statements.