



**ELECTROMECC
DESIGN
CONSTRUCTION AND
COMMERCIAL COMPANY
S.A.**

FINANCIAL STATEMENTS

**For the financial year ended 2022
(1 January - 31 December 2022)**

**In accordance with
International Financial Reporting Standards
as adopted by the European Union**

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.



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Annual Board of Director's Report
Of the Company
ELECTROMECC DESIGN, CONSTRUCTION AND COMMERCIAL COMPANY S.A.

On the financial statements
For the financial year from 1 January 2022 to December 2022

1. General

The current financial year is the 29th and includes the period of 1st January 2022 to 31st December 2022.

During this financial year, the activities of the Group and the Company were in accordance with the applicable commercial legislation and its purposes as defined by its articles of incorporation.

Group's and Company's financial statements for the financial year 2022, as published and submitted for approval to the General Assembly, derive from Group's and Company's books and records and are prepared in accordance with International Financial Reporting Standards (I.F.R.S.).

2. Group's and Company's Financial Performance

Group

During the financial year of 2022, the revenue from sales of construction projects and services was Euros 48.839.511,72 against Euros 33.424.246,36 of the previous financial year, showing an increase of 46,12%.

During the financial year of 2022, the cost of sales was Euros 44.271.141,59 against Euros 30.392.344,00 of the previous financial year, showing an increase of 45,67%.

The gross profit during the current financial year was Euros 4.568.370,13 against Euros 3.031.902,36 of the previous financial year, showing an increase of 50,68%.

The administrative expenses were Euros 1.893.124,57 against Euros 1.753.765,19 of the previous financial year, showing an increase of 7,95%.

The profit before tax during the current financial year was Euros 2.562.363,47 against the profit before tax of the previous financial year which was Euros 869.687,48, showing an increase of 194,63%.

The profit after tax during the current financial year were Euros 1.955.249,02 against the profit after tax of the previous financial year which were Euros 616.257,41, showing a significant increase of 217,28%.

Earnings before interest, taxes, depreciation, and amortization (EBITDA) were Euros 3.553.633,89 in 2022, against 1.760.905,29 in 2021, showing a significant increase of 101,81%.

Company

During the financial year of 2022, the revenue from sales of construction projects and services was Euros 37.316.976,66 against Euros 29.558.608,05 of the previous financial year, showing an increase of 26,25%.

During the financial year of 2022, the cost of sales was Euros 34.487.856,21 against Euros 27.172.589,69 of the previous financial year, showing an increase of 26,92%.

The gross profit during the current financial year was Euros 2.829.120,45 against Euros 2.386.018,36 of the previous financial year, showing a decrease of 18,57%.

The administrative expenses were Euros 1.393.994,77 against Euros 1.386.482,03 of the previous financial year, showing an increase of 0,54%.

The profit before tax during the current financial year were Euros 1.330.009,22 against the profit before tax of the previous financial year which were Euros 705.261,18, showing a significant increase of 88,58%.

The profit after tax during the current financial year were Euros 963.435,716 against the profit after tax of the previous financial year which were Euros 482.352,96, showing a significant increase of 99,74%.



Earnings before interest, taxes, depreciation, and amortization (EBITDA) were Euros 1.266.372,28 in 2022, against Euros 2.077.895,31 in 2021, showing an increase of 64,08%.

The main financial ratios for the financial years 2022 and 2021 that present Group's and Company's financial position are as follows:

i. Financial Structure Ratios

	Group		Company	
	2022	2021	2022	2021
Current assets/Total assets	88,8%	86,9%	88,0%	86,9%
Equity/Total liabilities	31,3%	47,8%	19,3%	32,4%
Equity/Non-current assets	213,5%	246,8%	134,6%	187,1%
Equity/Total assets	23,9%	32,4%	16,2%	24,4%
Current assets/Short-term liabilities	140,4%	141,4%	128,7%	126,1%

ii. Operating Performance and Profitability Ratios

	Group		Company	
	2022	2021	2022	2021
EBITDA/Sales	7,3%	5,3%	5,6%	4,3%
Gross profit/Revenue	9,4%	9,1%	7,6%	8,1%
Revenue/Equity	585,0%	402,4%	811,4%	550,6%

	Group		Company	
	2022	2021	2022	2021
EBITDA	<u>3.553.633,89</u>	<u>1.760.905,29</u>	<u>2.077.895,31</u>	<u>1.266.372,28</u>

3. Significant events during the current period

As presented in the financial statements, the Group and the Company increased revenue and maintained their profitability. The profits before taxes, as well as the profits before taxes, interest and depreciation (EBITDA) of the Group and the Company increased compared to the previous year due to implementation of new projects of the Group and the Company.

Based on the Extraordinary General Meeting of the Company's shareholders at 1 July 2022, the amendment of article 2 (the Company's headquarters) and the repeal of articles 35 - 38 (Transitional provisions) of the articles of association were approved. Company's headquarters is defined as the Municipality of Kropias at 12 Galini Street, in a property owned by the Company at Mantra Douni or Rdokia Koropiou.

4. Administrative principles and internal management systems

Company's Board of Directors

The Board of Directors, among its responsibilities, is responsible for a) preparing the Company's business plans and budgets b) implementing the aforementioned approved business plans and budgets, c) daily managing of the Company, d) hiring senior management and the preparation of the Company's internal organizational chart. The Board of Directors is responsible for the proper operation of the Company.

General Assembly of Shareholders

The General Meeting is the supreme body of the Company and has the right to decide on any corporate case.

Specifically, the General Assembly has the sole authority to decide, among other, on: (a) amendments to the Articles of Incorporation including increases or reductions in equity (b) approval of the annual financial statements, c) profit's distribution and d) merger, extension of duration or dissolution of the Company.



The General Assembly must meet at the headquarters of the Company, or in the region of another municipality within the prefecture of the headquarters or another municipality neighbouring the headquarters or in the region of the municipality where the headquarters is located, at least once in each financial year.

Main features of internal control system

The Company's Internal Audit System (ISA) comprises a set of audit control mechanisms and procedures, aimed at the proper operation of the Company, ensuring the completeness and reliability of the information and information required to accurately and timely evaluate the Company's financial performance and the preparation of reliable financial statement.

5. Financial risk objectives and policies

The activities of the Group and the Company are subject to various risks and uncertainties, such as credit risk and liquidity risk and the uncertainty of the results from the impact of exceptional adverse events (e.g. Covid - 19) and which may have a prolonged and unforeseen duration.

Market risk

Market risk is related to the geographical sectors in which the Group and the Company operate. For example, the Group and the Company are exposed to risk from the change in the conditions prevailing in the construction industry in Greece and abroad, from the change in the prices of raw materials, from the change in the value of real estate and leases, as well as from risks related to the execution of projects in syndicated schemes. The services of the Group and the Company closely monitor the trends in the individual markets where business activity develops and plan actions for the immediate and effective adaptation to the new data of the individual markets.

Foreign exchange risk

In addition to the Greek market, the Group is also active in international markets and is therefore exposed to exchange risk arising from changes in exchange rates. This risk mainly arises from future commercial transactions, receivables and payables in foreign currency.

The Group's and Company's main trading volume currency outside the Euro is the British Pound "GBP". Exchange risk is managed by maximizing the physical hedge through liabilities - receivables and inflows - outflows in GBP.

The policy of the Group and the Company is not to hold foreign exchange reserves higher than those necessary for use in commercial transactions.

Credit risk

The credit risk arises from the cash balances, the deposits in the Banks, as well as the credit reports of the customers including the important receivables and transactions.

The Group and the Company have developed policies to ensure that transactions are carried out with customers with sufficient creditworthiness. Due to the prevailing conditions in the market, there is a check on the conclusion of new contracts and on the procedures for monitoring the progress of work, invoicing and collections. The Group and the Company closely monitor the balances of its debtors and in receivables where credit risk is identified, an assessment is made in accordance with the established policies and procedures and the appropriate provision for impairment is formed. In Government projects, certifications are closely monitored and requests for additional work are expedited, in order to limit the risk of failure to collect claims.

Liquidity risk

The Group and the Company manage liquidity risk by ensuring that there is always secured bank credit for use. The existing available unused approved bank credits to the Group and the Company are sufficient to mitigate any possible cash shortage.



Cash flow risk and risk relating to change of fair value due to change in interest rates

The operating income and cash flows of the Group and the Company are affected by changes in interest rates. Interest rate risk substantially affects floating rate lending. The policy of the Group and the Company is to monitor interest rate trends and to decide on the combination of fixed - floating interest rates according to market conditions and its financing needs. During the current period, the Group and the Company have entered into approximately 90% of borrowings with a fixed interest rate because it was estimated that the specific risk is limited as Euro interest rates are expected to increase in the medium-term future due to inflation.

6. Environmental issues

According to the Environmental Management System, the Company, to the extent that it can control and affect, identifies the environmental consequences of its operations, commodities and services by the life circle.

In order to prevent and control the pollution and the environmental effects that rise from its operation, the Company applies, among other things, the following:

Recycling of electrical and electronic equipment not in use, metals, lead acid batteries, wood, paper, packaging materials, batteries, fluorescent lamps, mineral oils, etc.

Collection of all kinds of waste by certified entities and delivery to legal waste management companies which undertake the sorting, recycling, processing, utilization, inactivation, final disposal, etc. of the waste according to the relevant legislation.

7. Labour issues

The Company and the Group respect the Universal Declaration of Human Rights, the Declaration for the basic principles and rights in labour from the International Labour Organization, as well as the relevant International and European legislation and in specific the principles of:

- Equal treatment
- Respect of human rights
- Diversity
- Providing equal opportunities for all employees
- avoiding the use of child or forced labour.

The protection of Human rights is a significant issue for the Company, which is oriented to guarantee the equality, the equal treatment and the prevention of any kind of racist behaviour.

The Group and the Company provide an excellent and safe working environment by applying policies of non-discrimination and by giving equal opportunities regardless sex, age, nationality and religion. The labour rights of the employees are being respected.

8. Financial and non-financial ratios

The Group and the Company do not currently use financial (PI) and non-financial performance indicators (PI). Exclusively for the purpose of informing the users of the financial statements, we list in note 2 of this management report of the Board of Directors widespread indicators of performance, efficiency and financial structure of the Group and the Company.



9. Related party transactions

Group's and Company's related parties transactions based on IAS 24 are presented to the following table:

	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Sales to subsidiaries	-	-	-	50.869,24
Purchases from subsidiaries	-	-	118.117,26	-
Receivables from subsidiaries	-	-	-	-
Payables to subsidiaries	-	-	118.117,26	-
Receivables from executives and members of management	3.750,75	3.750,75	3.750,75	3.750,75
Payables to executives and members of management	44.533,02	40.613,49	44.533,02	35.756,16
Salaries and remuneration for management members and executives	306.300,92	273.867,23	225.650,00	199.200,00

All the transactions described above have been carried out on normal market terms.

10. Properties

The Company owns a preserved three-storey building at 26 Economou Street, Exarheia, Athens, which has been mortgaged to Alpha Bank against the amount of Euro 1.119.222,30. The above-mentioned amount covers and equals available credit in Guarantee Bonds and Loans, issued by Alpha Bank in the name of the Company. On 7 March 2023, the mortgage was removed based on the decision of Single-member Court of First Instance of Athens.

During the previous fiscal year, and more specifically on 3 December 2021, the Company acquired a commercial building of 156.94 square meters on the first floor of a business premises building on Leontos Sofou street no. 20 in Thessaloniki for the amount of Euro 155.000,00.

Also, the Company has a property (plot-field) with an area of 4.398,50 square meters on which there is an industrial plant-factory with a total area of 1.012,00 square meters in Drokia or Drakos in the land area of Koropi Attica which has been mortgaged by Alpha Bank A.E. against the amount of Euro 650,000.00 covering the corresponding amount of letters of guarantee and bank loans issued by the above bank in favour of the Company. On 7 March 2023, the mortgage was removed based on the decision of Single-member Court of First Instance of Athens.

During the current fiscal year, and more specifically on 30 December 2022, the Company acquired a plot of land of 1.357,42 square meters in the location of Rdokia or Mantra-Duni in the municipality of Kropia.

Also, the Company owns a plot of 1.298,21 square meters, a plot of 1.045,50 square meters, a plot of 217,00 square meters, a plot of 478,58 square meters and a plot of 386,78 square meters.

All seven plots of the Company are located in Mantra-Douni Drokia of the municipality of Kropia in the regional unit of Eastern Attica.

All seven plots of land of the Company, located in Rdokia or Mantra-Dounis of the municipality of Kropia of the Eastern Attica regional unit with a total area of 9.181,99 square meters, are joined together and form a single area.

Finally, the company owns an apartment with area 54 square meters at 12-14-16 Metaxa Street, in Athens.

11. Securities

On 31 December 2022 the Group and the Company did not hold any securities.

12. Own shares

No own shares have been acquired from 01/01/2022 to 31/12/2022 neither from the Group nor from the Company.

13. Foreign currency

The Group own foreign currency in British Pound Sterling (GBP) through the subsidiary Gemec Limited located in the United Kingdom and in Romanian Lei (RON) through the subsidiary Electromec Srl located in Romania.



14. Research and development

There was no research and development activity during the year 2022 for the Group and the Company.

15. Branches

The Group and the Company do not own any branch.

16. Subsequent events

There have been no events subsequent to the financial statements as of 31 December 2022, which significantly affect the understanding of these financial statements and should either be disclosed or vary the amounts of the published financial statements.

17. Conclusion

Believing that the Group's and Company's position is satisfactory and taking into consideration the financial crisis and the prevailing market conditions, we ask the General Meeting to approve the Financial Statements for the financial year ended on 31 December 2022, to exempt the Board of Directors and the auditors from any responsibility and to appoint the auditors of financial year 2023.

Finally, thank you for the trust you have shown in the members of the Board of Directors.

**True copy from the minutes' book
of the Board of Directors**

Athens, 31 August 2023

**THE CHAIRMAN OF THE BOARD
KONTOEIDIS MICHAEL**

Independent's Auditor Report

To the Shareholders of ELECTROMECC DESIGN, CONSTRUCTION AND COMMERCIAL COMPANY S.A.

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of ELECTROMECC DESIGN, CONSTRUCTION AND COMMERCIAL COMPANY S.A. (the "Company"), which comprise the consolidated and separate statement of financial position as at 31 December 2022 and the consolidated and separate 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 consolidated and separate financial statements present fairly in all material respects the financial position of the ELECTROMECC DESIGN, CONSTRUCTION AND COMMERCIAL COMPANY S.A. as at 31 December 2022 and their subsidiaries (the Group) and its financial performance and the consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards, as endorsed by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), as incorporated in Greek Law. 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 remained independent of the Company throughout the period of our appointment in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), as incorporated in Greek Law, together with the ethical requirements that are relevant to the audit of the financial statements in Greece, and we have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information includes the Board of Directors' Report, for which reference is also made in section Report on Other Legal and Regulatory Requirements but does not include the financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management for the financial statements

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards as endorsed by the European Union, and for such internal control as management determines is necessary to enable the preparation of the consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing Group's and 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 Group or 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 consolidated and separate 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 in Greek Law, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, separately or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs as incorporated in Greek Law, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate 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 Group's and 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 Group's and 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 consolidated and separate 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 Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We collect sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the separate and consolidated financial statements. We are responsible for guiding, supervising and executing the audit of the Company and its subsidiaries. We remain solely responsible for our audit opinion.

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 and Corporate Governance Statement that is included therein pursuant to the provisions of Article 2, paragraph 5 of Law 4336/2015 (part B), we note that:

- a) In our opinion, the Board of Directors' Report has been prepared in accordance with the legal requirements of articles 150 and 153 of the Law 4548/2018 and its content is consistent with the accompanying consolidated and separate financial statements for the year ended 31 December 2022.
- b) Based on the knowledge obtained during our audit for the ELECTROMECC DESIGN, CONSTRUCTION AND COMMERCIAL COMPANY S.A. and its environment, no material inconsistencies in the Directors' report have been identified.

Athens, 7 September 2023

THE CERTIFIED AUDITOR ACCOUNTANT

KONSTANTINOS MAR. ANTAKIS
SOEL REG. No 21271



AUDIT PLUS S.A.
METAMORFOSEOS 1 &
LEOFOROS PENTELIS 104
POST CODE 15234 CHALANDRI
SOEL REG 172
ELTE REG 44



ELECTROMECC DESIGN CONSTRUCTION AND COMMERCIAL COMPANY S.A.
Consolidated and Separate Financial Statements
For the period ended 31 December 2022
(Amounts in euro, unless otherwise stated)

It is certified that the accompanied Consolidated and Separate Financial Statements, are those that have been approved by the Board of Directors of “ELECTROMECC DESIGN, CONSTRUCTION AND COMMERCIAL COMPANY S.A.” on 31 August 2023 and they have been disclosed on the Company’s website: <http://www.electromec.gr/>.

On behalf of
ELECTROMECC DESIGN CONSTRUCTION AND COMMERCIAL COMPANY S.A.

THE CHAIRMAN OF THE BoD
MICHAEL KONTOEIDIS
ID No AO 008005 / 21.10.2019

THE MANAGING DIRECTOR
GEORGE KAFIRIS
ID No AM 507502 / 20.09.2022

THE CHIEF ACCOUNTANT
CHRISTOS LESIOTIS
ID No AA 098041 / 14.09.2005
License No OEE 0129670 A’ CLASS



Consolidated and separate statement of comprehensive income for the year ended 31 December 2022

	Note	Group		Company	
		Financial year ended 31/12/2022	Financial year ended 31/12/2021	Financial year ended 31/12/2022	Financial year ended 31/12/2021
Continuing operations					
Revenue	10	48.839.511,72	33.424.246,36	37.316.976,66	29.558.608,05
Cost of sales	11	(44.271.141,59)	(30.392.344,00)	(34.487.856,21)	(27.172.589,69)
Gross profit		4.568.370,13	3.031.902,36	2.829.120,45	2.386.018,36
Administrative expenses	11	(1.893.124,57)	(1.753.765,19)	(1.393.994,77)	(1.386.482,03)
Other operating income	12	459.103,32	29.409,51	397.182,52	29.409,51
Other operating expenses	12	(112.733,10)	(34.272,71)	(19.957,76)	(26.288,80)
Operating profit		3.021.615,78	1.273.273,97	1.812.350,44	1.002.657,04
Finance income	13	36.016,27	1.673,53	0,52	1.673,53
Finance costs	13	(495.268,58)	(405.260,02)	(482.341,74)	(299.069,39)
Profit before tax		2.562.363,47	869.687,48	1.330.009,22	705.261,18
Income tax expense	15	(607.114,45)	(253.430,07)	(366.573,51)	(222.908,22)
Profit for the year		1.955.249,02	616.257,41	963.435,71	482.352,96
Profit (loss) for the year					
Attributable to:					
Parent Company's Shareholders		1.962.322,32	616.460,35	963.435,71	482.352,96
Non-controlling interests		(7.073,30)	(202,94)	-	-
		1.955.249,02	616.257,41	963.435,71	482.352,96
Other comprehensive income					
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of foreign operations		(181.400,00)	166.503,90	-	-
Net other comprehensive loss to be reclassified to profit or loss in subsequent periods		(181.400,00)	166.503,90	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:					
Actuarial gains		-	-	-	-
Income tax on actuarial gains	19	-	18,07	-	18,07
Net other comprehensive loss not to be reclassified to profit or loss in subsequent periods		-	18,07	-	18,07
Other comprehensive loss for the year, net of tax		(181.400,00)	166.521,97	-	18,07
Total comprehensive income/(loss) for the year, net of tax		1.773.849,02	782.779,38	963.435,71	482.371,03
Total comprehensive income/(loss) for the year, attributable to:					
Equity holders of the parent		1.780.901,18	783.781,00	963.435,71	482.371,03
Non-controlling interests		(7.052,16)	(1.001,62)	-	-
		1.773.849,02	782.779,38	963.435,71	482.371,03

The accompanying notes on pages 18 to 69 are an integral part of these financial statements.



Consolidated and separate statement of financial position as at 31 December 2022

	Note	Group		Company	
		31 December		31 December	
		2022	2021	2022	2021
Assets					
Non-current assets					
Property, plant and equipment	16	2.454.198,79	2.872.233,02	2.322.789,22	2.711.474,67
Investment properties	17	881.643,85	-	881.643,85	-
Intangible Assets	18	46.463,63	31.161,59	46.463,63	31.161,59
Right of use of assets	32	400.134,23	337.767,66	46.552,80	33.079,53
Investments in subsidiaries	19	-	-	2.358,00	2.358,00
Deferred tax assets	20	59.146,51	62.869,62	59.146,51	62.869,62
Other non-current assets	22	68.541,85	61.232,28	56.774,82	28.006,68
		3.910.128,86	3.365.264,17	3.415.728,83	2.868.950,09
Current Assets					
Inventories	21	2.201.747,49	1.635.971,29	2.201.747,49	1.635.967,05
Trade and other receivables	22	19.381.399,30	16.426.736,71	18.570.413,66	15.706.102,54
Blocked deposits	23	-	83.334,00	-	83.334,00
Cash and short-term deposits	24	9.495.754,26	4.166.571,49	4.215.534,09	1.665.029,69
		31.078.901,05	22.312.613,49	24.987.695,24	19.090.433,28
Total assets		34.989.029,91	25.677.877,66	28.403.424,07	21.959.383,37
Equity and liabilities					
Equity attributable to equity holders of the parent					
Issued share capital	25	576.000,00	576.000,00	576.000,00	576.000,00
Reserves	26	648.016,44	829.437,58	752.925,59	752.925,59
Retained earnings		7.083.263,51	6.853.549,19	3.270.319,50	4.039.491,79
		8.307.279,95	8.258.986,77	4.599.245,09	5.368.417,38
Non-controlling interest		40.995,14	48.047,30	-	-
Total equity		8.348.275,09	8.307.034,07	4.599.245,09	5.368.417,38
Non-current liabilities					
Interest-bearing loans and borrowings	28	4.012.217,36	1.340.899,36	4.012.217,36	1.340.899,36
Lease liabilities	32	146.182,97	146.934,71	30.911,02	7.100,33
Government grants	29	226.671,46	-	226.671,46	-
Employee defined benefit liabilities	30	112.060,00	98.619,37	112.060,00	98.619,37
Deferred tax liabilities	20	2.775,97	3.284,66	-	-
		4.499.907,76	1.589.738,10	4.381.859,84	1.446.619,06
Current liabilities					
Trade and other payables	31	20.082.081,50	14.934.008,50	17.830.036,61	14.488.410,61
Long-term liabilities payable in the next financial year	28	1.154.294,25	628.251,01	1.154.294,25	628.251,01
Interest-bearing loans and borrowings	28	265.000,00	0,14	265.000,00	0,14
Lease liabilities	32	251.637,49	188.096,45	16.171,35	27.685,17
Government grants	29	156.816,93	-	156.816,93	-
Income tax payable		231.016,89	30.749,39	-	-
		22.140.847,06	15.781.105,49	19.422.319,14	15.144.346,93
Total liabilities		26.640.754,82	17.370.843,59	23.804.178,98	16.590.965,99
Total equity and liabilities		34.989.029,91	25.677.877,66	28.403.424,07	21.959.383,37

The accompanying notes on pages 18 to 69 are an integral part of these financial statements.



Consolidated and separate statement of changes in equity for the year ended 31 December 2022

	Group				Total equity
	Share capital (Note 25)	Reserves (Note 26)	Retained earnings	Non-controlling interests	
As at 1 January 2021	576.000,00	662.135,00	6.237.070,77	49.048,92	7.524.254,69
Profit/(loss) for the period	-	-	616.460,35	(202,94)	616.257,41
Other comprehensive income/(loss)	-	167.302,58	18,07	(798,68)	166.521,97
Total comprehensive income	-	167.302,58	616.478,42	(1.001,62)	782.779,38
As at 31 December 2021	576.000,00	829.437,58	6.853.549,19	48.047,30	8.307.034,07
Profit/(loss) for the period	-	-	1.962.322,32	(7.073,30)	1.955.249,02
Other comprehensive income/(loss)	-	(181.421,14)	-	21,14	(181.400,00)
Total comprehensive income	-	(181.421,14)	1.962.322,32	(7.052,16)	1.773.849,02
Cash dividends (Note 27)	-	-	(1.732.608,00)	-	(1.732.608,00)
As at 31 December 2022	576.000,00	648.016,44	7.083.263,51	40.995,14	8.348.275,09

	Company			
	Share capital (Note 25)	Reserves (Note 26)	Retained earnings	Non-controlling interests
As at 1 January 2021	576.000,00	752.925,59	3.557.120,76	4.886.046,35
Profit for the period	-	-	482.352,96	482.352,96
Other comprehensive income/(loss)	-	-	18,07	18,07
Total comprehensive income	-	-	482.371,03	482.371,03
As at 31 December 2021	576.000,00	752.925,59	4.039.491,79	5.368.417,38
Profit for the period	-	-	963.435,71	963.435,71
Other comprehensive income/(loss)	-	-	-	-
Total comprehensive income	-	-	963.435,71	963.435,71
Cash dividends (Note 27)	-	-	(1.732.608,00)	(1.732.608,00)
As at 31 December 2022	576.000,00	752.925,59	3.270.319,50	4.599.245,09

The accompanying notes on pages 18 to 69 are an integral part of these financial statements.



Consolidated and separate cash flow statement for the year ended 31 December 2022

	Note	Group		Company	
		Year ended 31/12/2022	Year ended 31/12/2021	Year ended 31/12/2022	Year ended 31/12/2021
Operating activities					
Profit before tax		2.562.363,47	869.687,48	1.330.009,22	705.261,18
Adjustment to reconcile profit before tax to net cash flows					
Non-cash items:					
Depreciation of property, plant and equipment	16	340.627,94	248.517,60	321.756,30	228.179,16
Amortization of intangible assets	18	9.645,96	6.223,91	9.645,96	6.223,91
Amortization of right in use of assets	32	274.481,58	232.889,81	26.879,98	29.312,17
Loss/(gain) on disposal of property, plant and equipment	12	7.901,83	7.585,94	794,33	(397,97)
Gains from termination of lease		(223,53)	-	-	-
Depreciation of government grants	12,29	(92.737,37)	-	(92.737,37)	-
Impairment of trade receivables	12,22	83.919,53	-	-	-
Net foreign exchange differences		(184.138,34)	164.403,23	-	-
Finance income	13	(0,52)	(1.673,53)	(0,52)	(1.673,53)
Finance costs	13	494.594,05	312.776,10	481.668,25	299.069,39
Movements in provisions and provisions for employee benefits	30	13.440,63	(18.166,33)	13.440,63	(18.166,33)
Working capital adjustments:					
(Increase)/decrease in inventories		(565.776,20)	(744.807,86)	(565.780,44)	(744.807,93)
(Increase)/decrease in trade and other accounts receivable		(3.045.891,69)	(4.911.747,70)	(2.893.079,26)	(4.797.882,90)
Increase/(decrease) in trade and other accounts payable		5.085.369,70	5.079.324,98	3.278.922,70	5.512.914,69
Income tax paid		(403.473,23)	(407.745,17)	(362.850,40)	(203.750,37)
Net cash flows from operating activities		4.580.103,81	837.268,46	1.548.669,38	1.014.281,47
Investing activities					
Purchase of property, plant and equipment	16	(1.092.638,38)	(741.270,52)	(1.078.773,70)	(671.938,77)
Purchase of intangible assets	18	(24.948,00)	(22.901,44)	(24.948,00)	(22.901,44)
Proceeds from sale of property, plant and equipment		273.312,48	3.768,65	263.264,67	398,02
Interest received		0,52	1.673,53	0,52	1.673,53
Receipt of government grants	29	476.225,76	-	476.225,76	-
(Increase)/decrease of blocked deposits		83.334,00	16.666,00	83.334,00	16.666,00
Net cash flows used in investing activities		(284.713,62)	(742.063,78)	(280.896,75)	(676.102,66)
Financing activities					
Payment of principal portion of lease liabilities	32	(264.069,77)	(233.223,74)	(28.056,38)	(27.779,96)
Proceeds from borrowings	37	4.523.774,24	2.672.000,00	4.523.774,24	2.672.000,00
Repayment of borrowings	37	(1.419.150,37)	(2.451.702,05)	(1.419.150,37)	(2.451.702,05)
Net change in short-term borrowing	37	264.999,86	-	264.999,86	-
Interest paid and guarantee fees		(339.153,38)	(307.288,79)	(326.227,58)	(293.582,08)
Dividends paid to equity holders of the parent	37	(1.732.608,00)	(645.696,00)	(1.732.608,00)	(645.696,00)
Net cash flows from/(used in) financing activities		1.033.792,58	(965.910,58)	1.282.731,77	(746.760,09)
Net increase/(decrease) in cash and cash equivalents		5.329.182,77	(870.705,90)	2.550.504,40	(408.581,28)
Cash and cash equivalents at 1 January		4.166.571,49	5.037.277,39	1.665.029,69	2.073.610,97
Cash and cash equivalents at 31 December	24	9.495.754,26	4.166.571,49	4.215.534,09	1.665.029,69

Gains on disposal of property, plant and equipment include:

	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Net book value	281.214,31	11.354,59	264.059,00	0,05
Loss on disposal of property, plant and equipment	(7.901,83)	(7.585,94)	(794,33)	397,97
Proceeds from sale of property, plant, and equipment	273.312,48	3.768,65	263.264,67	398,02

The accompanying notes on pages 18 to 69 are an integral part of these financial statements.



Notes to the financial statements for the year ended 31 December 2022

1. General information for the Company and its subsidiaries

The Company ELECTROMECC DESIGN, CONSTRUCTION AND COMMERCIAL COMPANY S.A. (hereinafter referred to as “the Company”) is the parent Company of the Group “ELECTROMECC DESIGN, CONSTRUCTION AND COMMERCIAL COMPANY S.A.” (hereinafter referred to as “the Group”). The structure of the Group and the subsidiaries are presented in [Note 8](#) of the financial statements.

The Group operates through its parent and subsidiaries, in the sectors of Construction, Electromechanical, Industrial and Energy, both in the private and in the public sector. The Company holds a 4th class contractor’s degree.

The Company was founded in February 1993 (Government Gazette 654/2.3.93).

Company’s website is <http://www.electromec.gr>

The Company is located in Greece and the headquarters are located in the Municipality of Kropias on the property owned by the Company at 12 Galinis Street at Mantra Douni i Rdokia Koropiou. The duration of the Company according to its Articles of Association is determined at forty (40) years and is registered in the General Commercial Register (G.C.R.) with number 1986201000.

At 31 December 2022, Group’s and Company’s total number of employees amounted to 169 and 134, respectively.

At 31 December 2021, Group’s and Company’s total number of employees amounted to 158 and 126, respectively.

2. Basis of preparation and consolidation of financial statements

2.1. Basis for preparation

The accompanying separate and consolidated financial statements for the financial years ended 31 December 2022 and 2021 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (E.U.) and present the financial position, results and cash flows of the Group and the Company based on the going concern principle. In this context, Management considers that the principle of going concern is the appropriate basis for the preparation of this financial information. There are no standards and standard interpretations that have been applied before the mandatory date of their entry into force.

The financial statements have been prepared on historical cost basis.

The preparation of consolidation and separate financial statements in accordance with IFRS requires management to make estimates, assumptions and judgments that affect assets and liabilities, disclosure of contingent assets and liabilities and the income and expenses presented in the current year.

The Group and the Company also make accounting estimates, assumptions and judgments in order to apply the most appropriate accounting principles in relation to future events and transactions.

Although these estimates are based on the best possible knowledge of the Management taking into account the current conditions and activities, the actual results may ultimately differ from these estimates. Areas with the highest degree of estimate or complexity, or where estimates and assumptions are relevant to the preparation of consolidated and separate financial statements, are presented in [note 6](#).



2.2. Consolidation basis

Specifically, the Group controls a subsidiary, if only it all the following conditions are met:

- power over the subsidiary
- exposure, or rights, to variable returns from its involvement with the subsidiary and
- the ability to use its power over the investee to affect the amount of the investor's

It is generally assumed that holding a majority of the voting rights results in control of the subsidiary.

The Group may exercise power if it holds less than the majority of the voting rights of a subsidiary, for example, through:

- Contractual arrangement between the group and other holders of voting rights
- Rights deriving from other contractual arrangements
- The group voting rights
- Potential voting rights
- Combination of the above points.

The Group reassesses whether it controls an affiliate when events and circumstances indicate changes in one or more of the three controls listed above. The subsidiaries are fully consolidated (total consolidation) from the date that the Group acquires control and cease to be consolidated from the date that the control ceases to exist.

Assets, liabilities income and expenses of a subsidiary disposed during the financial year are included in the consolidated financial statements until the date that the Group ceases to have control.

The Group attributes the profits or losses and any component of other comprehensive income to the shareholders of the parent company and to non-controlling interests. The Group also attributes all total income to the parent company shareholders and non-controlling interests, even if this results in non-controlling interests having a negative balance.

The financial statements of the subsidiaries are prepared on the same reporting date as the parent Company. The accounting principles of the subsidiaries are consistent with those adopted by the Group.

Intercompany transactions, balances and unrealized gains on transactions between the Group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of impairment of the transferred asset. In the financial position of the Company the subsidiaries are valued at cost less any impairments.

A change in the percentage of participation in a subsidiary, without loss of control, is a transaction between the shareholders.

In cases of transactions involving increases in the Group's interest in subsidiaries, which are outside the scope of IFRS 3, the Group recognizes any impact arising from the difference between the fair value of the consideration paid and the carrying amount of the rights of third parties purchased, directly in equity.

If the Group loses control of the subsidiary, then it will discontinue the recognition of assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date of loss of control and the carrying amount of any non-controlling interest in the former subsidiary at the date loss of control. Any differences arising on profit or loss will be recognized in the statement of comprehensive income. It will recognize any investment held in the former subsidiary in its fair value at the date of loss of control.

2.3. Financial Statements based on Greek Accounting Standards

The Company keeps its accounting books and prepares financial statements based on Law 4308/2014 Greek Accounting Standards, Law 4548/2018 on Societe Anonyme and tax law. The accompanying financial statements have been based on the financial statements in accordance with Greek Accounting Standards, which have been specifically adjusted with certain entries outside accounting books to comply with IFRSs.



2.4. Approval of financial statements

The financial statements for the year ended 31 December 2022 were authorised for issue, by Company's Board of Directors, on 31 August 2023. The financial statements are subject to approval by the Annual General Assembly of shareholders that will take place until the deadline defined by paragraph 1 of article 119 of Law 4548/2018.

3. Significant accounting policies

a) Business combination and goodwill

Each business combination is accounted by applying the acquisition method. The acquisition cost is calculated as the total consideration paid, calculated at fair value at the acquisition date and the amount of any non-controlling interests in the acquiree. For each business combination, the acquirer calculates the non-controlling interests in the acquiree at either fair value or proportion to the acquiree's net identifiable assets.

Expenses incurred on acquisition are recorded in the statement of comprehensive income. At the acquisition date, the Group estimates the acquired assets and liabilities in order to properly classify and determine them in accordance with the contractual terms, financial circumstances and relevant conditions at the acquisition date.

In the event of a gradual business combination, each exchange transaction is treated separately by the Group, using transaction costs and fair value information at the date of each exchange transaction, to determine the cost of goodwill associated with that transaction. This results in a step-by-step comparison of the cost of the separate investments, with the Group's participation in the fair value of the identifiable assets, liabilities and contingent liabilities of the acquirer at each step.

Any consideration transferred by the acquirer will be recognized at fair value at the acquisition date. Any subsequent changes in the fair value of any consideration presumed to be an asset or liability will be recognized in accordance with IAS 39 either in the statement of comprehensive income or as a change in other comprehensive income. If any consideration is classified as an item of equity, you will not count until it is finally settled through equity.

Goodwill is initially measured at cost and arises as the difference between the sum of the redemption price plus the non-controlling interests recognized and the fair value of the assets acquired and liabilities incurred. If the price is lower than the fair value of the net assets acquired, the difference is recognized in the statement of comprehensive income.

Upon initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purposes of impairment testing, goodwill recognized in a business combination is allocated, from the date of acquisition, to the Group's cash-generating units, which are expected to benefit from the combination, whether or not the other assets or liabilities of the acquired company have been distributed to the specific cash flow generation units.

Where goodwill is part of a cash-generating unit and part of that unit's business is sold, goodwill attributable to the business being sold is included in the carrying amount of the business when calculating the gain or loss on selling the business. In this case, the portion of the goodwill sold is valued in proportion to the relative values of the business sold and the portion of the cash-generating unit remaining.

b) Joint arrangements

According to IFRS 11, the types of arrangements are limited to two: joint operations and joint ventures. The classification depends on the rights and obligations of the parties to the agreement, taking into account the structure and legal form of the agreement, the terms agreed by the parties and, where relevant, other facts and conditions.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Participants should account for the assets and liabilities (as well as income and expenses) associated with their share in the scheme.



A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint ventures are accounted for by applying equity method. The Group and the Company do not own joint ventures.

The main joint agreements in which the Group and the Company participate concern the execution of construction contracts through joint operations. These consortia are classified as joint operations because their legal form gives the parties direct rights over the assets and liabilities over the liabilities. Based on IFRS 11, the Group and the Company account for assets, liabilities, income and expenses based on its share in the figures. The participation of the Group and the Company in the joint operations in which it participates are presented in [note 9](#).

c) Current versus non-current classification

The Group and the Company present assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading and
- Expected to be realized within twelve months after the reporting period

Or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current by the Group and the Company

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading and,
- It is due to be settled within twelve months after the reporting period

Or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group and the Company classified all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

d) Fair value measurement

The fair value of financial instruments actively traded in organised financial markets is determined by reference to quoted active market bids, and in particular bid prices for assets and ask prices for liabilities, at the close of business on the balance sheet date, without any deduction in transaction costs.

Where there is no active market for a financial instrument, its fair value is determined by using appropriate valuation techniques. The valuation techniques include the method of discounted cash flows, comparison with similar instruments where market observable values exist, rights valuation models, credit models and other relevant valuation models.

For discounted cash flow techniques, the estimated future cash flows are based on the management's best possible estimates and the discount rate used is a rate indicated in the market for similar instruments. The use of different valuation models and assumptions could generate substantially different estimates of fair values.

Where the fair value cannot be measured in a reliable manner, such financial instruments are measured at cost, which is the fair value of the price paid to acquire the investment or the amount received when the financial liability is issued. All transaction costs directly attributable to acquisition are included in the cost of the investment.



The fair value of a financial asset or liability is the amount received to sell an asset or paid to settle a liability in a transaction under normal conditions between two contracting parties on the date of its valuation. The fair value of the financial assets or liabilities in the financial statements has been determined, where necessary, by the Management's best possible estimate. In cases where there are no available data or these are limited from active financial markets, valuations of fair values are derived from the Management's estimate according to the available information.

Fair value valuation methods are ranked at three levels:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The following methods and assumptions were used to estimate the fair value for each category of financial asset and liability:

Cash equivalents, trade and other receivables, trade payables and other short-term liabilities and accrued expenses: Their carrying values approximate to fair values due to short-term maturity.

e) Revenue from contracts with customers

IFRS 15 "Revenue from contracts with customers" replaces IAS 11 "Construction Contracts" and IAS 18 "Revenues" and other related interpretations and applies to all revenue arising from contracts with customers unless those contracts fall within the scope of other standards.

An entity shall account for a contract with a customer that is within the scope of this Standard only when all of the following criteria are met:

1. The parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations
2. The entity can identify each party's rights regarding the goods or services to be transferred.
3. The entity can identify the payment terms for the goods or services to be transferred.
4. The contract has commercial substance (ie the risk, timing or amount of the entity's future cash flows is expected to change as a result of the contract) and
5. It is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

The underlying principle is that an entity will recognize revenue in a way that reflects the transfer of goods or services to customers at the amount that it expects to be entitled to in return for those goods or services. It also includes the principles that an entity must apply to determine the measurement of revenue and the timing of its recognition. Under IFRS 15, revenue is recognized when the customer obtains control of the goods or services, specifying the timing of the transfer of control - either at a given time or over time.

Revenue is defined as the amount that an entity expects to be entitled to in return for goods or services transferred to a customer, other than amounts collected on behalf of third parties (value added tax, other sales taxes). Variable amounts are included in the price and are calculated using either the "expected value" method or the "most probable amount" method.

In accordance with IFRS 15, revenue from customer contracts is recognized when the customer acquires control of the goods or services in an amount that reflects the consideration that the Group and the Company expect to be entitled to in respect of those goods or services.

The Group and the Company operate in the sectors of Construction, Electromechanical, Industrial and Energy projects, both in the Private and in the public sector.

Revenue is recognized more specifically as follows:



Revenue from construction contracts

Revenue from construction contracts with customers related to the construction or maintenance of public works and private works.

More specifically, the following apply:

- Each construction contract includes a unique obligation for the manufacturer. Even in the case of contracts that involve both the design and construction of a project, the manufacturer's obligation is essentially one as his promise to the customer is the delivery of a project whose goods and services are separate components.
- Contract revenue is recognized over the term of the contract, using a construction contract revenue calculation method based on the cost to cost method.
- IFRS 15 requires the recognition of any variable price, ie claims for delay / acceleration costs, reward bonus, additional work, only to the extent that it is highly probable that these revenues will not be reversed in the future. In the process of assessing the possibility of recovering the variable price, previous experience adapted to the terms of the existing contracts should be taken into account.

The conditions set by the new standard for the recognition of additional claims are consistent with the current policy of the Group and the Company according to which the costs of delay / acceleration and additional work are recognized in case the discussions for their recovery are in advanced negotiation stage or supported by estimates of independent professionals.

- IFRS 15 stipulates that costs that can be capitalized relate to costs incurred after undertaking a project. Examples of such costs are the costs of constructing temporary construction sites and the costs of relocating equipment and workers.
- Customer contracts may provide for the withholding of part of the invoiced receivables, which is usually paid to the manufacturer at the end of the project. The retained guarantees are intended to provide security to the customer in case of non-fulfilment of the contractual obligations of the contractor and are not related to the provision of financing to the customer. Therefore, the Group and the Company concluded that there is no significant effect due to financing.

Contractual assets

A contractual asset is recognized when the Company or the Group have fulfilled their obligations to the customer before the customer has paid or the payment is due, for example when the goods or services are transferred to the customer prior to the Group's or Company's right to issue an invoice.

Contractual liabilities

A contractual liability is recognized when the Group or the Company receive a payment from the customer (prepayment) or hold a right to a price that is unconditional (deferred income) before the performance of the contract obligations and the transfer of the goods or services. The contractual liability is derecognized when the obligations of the contract are executed, and the income is recorded in the consolidated or separate statement of comprehensive income.

Sale of goods

The Group and the Company recognize revenue when they fulfil a contractual obligation to the customer with the delivery of the good (which is identical to the time when the control over the good passes to the customer). If a contract contains more than one contractual liability, the total value of the contract is allocated to the separate liabilities based on the separate sales values. The amount of revenue recognized is the amount allocated to the corresponding contractual liability that has been fulfilled, based on the consideration that the Group or the Company expects to receive under the terms of the contract. Group's and Company's sale of goods come from the sale of raw and auxiliary materials, construction or maintenance of public works and private works.

Rendering of services

Revenue from services rendered is recognized over time based on the input method. Revenue is recognized based on the entity's inputs to meet the performance obligation (for example, resources spent, labour hours required, expenses incurred, time elapsed or hours of use of machinery) in relation to total estimated inputs to fulfil the obligation.



Interest income

Interest income is recognized on a time-proportion basis using the effective interest method.

Dividend income

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

f) Government grants

Government grants related to the subsidy of tangible fixed assets are recognized when there is reasonable assurance that the grant will be collected and that the Company will comply with the terms and conditions set for their payment.

When government grants relate to an asset, the fair value is credited to long-term liabilities as deferred income and transferred to the statement of comprehensive income in equal annual instalments based on the expected useful life of the asset granted.

When the grant relates to an expenditure, it is recognized as income over the period necessary to match the grant on a systematic basis to the expenditure it is intended to reimburse. Grant amortization is shown in "Other operating income" in the statement of comprehensive income.

g) Taxes

Current income tax

Current income tax assets and liabilities, for the current and for the prior financial years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the country where the Company operates and generates taxable income.

Current income tax is recognised in the statement of comprehensive income. Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of comprehensive income.

Current income taxes include the short-term liabilities or receivables from the financial authorities that relate to taxes payable on the taxable income of the period and any additional income taxes from previous periods.

Deferred income tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or



- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are calculated based on the tax rates that are expected to be effective in the year in which the asset is settled or the liability is settled and are based on tax rates (and tax laws) that are in force or have been enacted or enacted, substantially enacted at the date of the statement of financial position.

Income tax relating to items that are recognized directly in equity is recognized directly in equity and not in the statement of comprehensive income.

h) Foreign currencies

Functional and presentation currency

The items included in the consolidated financial statements are measured using that functional currency. Group's financial statements are presented in Euros, which is also Company's functional currency.

Transaction and balances

Transactions in foreign currencies are initially recorded at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Foreign exchange gains and losses arising from the year-end valuation of monetary assets and liabilities are reflected in the accompanying statements of comprehensive income. Gains or losses resulting from transactions are also reflected in the statement of comprehensive income.

Group Companies

The translation of the financial statements of the Group companies (none of which has a currency of hyperinflationary economy), which have a different operating currency from the presentation currency of the Group is performed as follows:

- Assets and liabilities are translated at the exchange rates ruling at the date of the statement of financial position.
- Income and expenses are translated at the average exchange rates for the period (unless the average exchange rate is a reasonable approximation of the cumulative effect of the exchange rates prevailing at the dates of the transactions, in which case income and expenses are converted to the exchange rates transaction dates)
- The resulting exchange differences are recorded in the reserve of other total income and are transferred to the results of the year when these companies are sold.

The exchange differences arising from the conversion of the net investment into a foreign enterprise as well as the borrowing that has been designated as hedging of this investment are recorded in equity. When a foreign company is sold, the accumulated foreign exchange differences are transferred to the statement of comprehensive income as part of the gain or loss on the sale.

Foreign exchange differences arising on cash that are part of the net investment in an overseas holding are recognized in the statement of comprehensive income in the Company's separate financial statements or in the separate overseas financial statements. In financial statements involving overseas operations and the Company (ie consolidated financial statements when the overseas holding is a subsidiary), such exchange differences are initially recognized on a separate equity basis and in the statement of comprehensive income when the net investment is available. when the gain or loss of the disposition is recognized.



Goodwill and fair value adjustments arising from the acquisition of foreign companies are treated as assets and liabilities of the foreign company and are translated at the exchange rates at the financial position date.

i) Cash dividend

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

j) Property plant and equipment

Property plant and equipment are stated in the financial statements at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items.

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

In the present annual financial statements, the depreciation of property, plant and equipment (excluding land that is not depreciated) is calculated based on their useful life which is as follows:

Classification	Depreciation method
Buildings	50-75 years
Plant and machineries	10 years
Transportation	6 to 8 years
Personal Computers	5 to 10 years
Furniture and other equipment	5 to 10 years

The carrying amount of an item of property, plant and equipment ceases to be recognized at disposal or when no future financial benefits are expected from the use or disposal of the item. Gain or loss on the recognition of property, plant and equipment is included in the statement of comprehensive income when the item ceases to be recognized. The gain or loss arising from the derecognition of an item of property, plant and equipment is defined as the difference between the net value of disposal, if any, and the carrying amount of the item.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date. When the carrying amount of on properties plant and equipment is higher than its recoverable amount, the resulting difference (impairment loss) is recognized immediately as an expense in the statement of comprehensive income.

k) Leases

Company - Group as a lessee

Until 2018, leases were classified as financial or operating leases. The payments of the operating leases (net of any incentives received by the lessee) were recognized in the total income statement by the fixed method during the lease term.

From 1 January 2019, leases are recognized in the statement of financial position as a right to use an asset and an obligation to lease, the date on which the leased asset becomes available for use.

Lease liabilities include the net present value of the following leases:

- fixed leases (including "substantial" fixed payments)
- variable leases, depending on an index or interest rate, which are initially measured using the index or interest rate at the date of the beginning of the lease term
- the amounts expected to be paid on the basis of guaranteed residual values



- the exercise price of the purchase right, if it is reasonably certain that the Group and the Company will exercise this right, and
- the payment of a penalty for termination of the lease, if the duration of the lease reflects the exercise of the right of the Group and the Company for termination of the lease and
- the payment of a penalty for termination of the lease, if the duration of the lease reflects the exercise of the right of the Group and the Company to terminate the lease.

Lease payments are discounted with the imputed rental rate or, if this interest rate cannot be determined by the contract, with the differential lending rate (“incremental borrowing rate”), ie the interest rate at which the lessee would be charged for to borrow the necessary capital in order to acquire an asset of similar value with the leased asset for a similar period of time, with similar collateral and in a similar economic environment.

After their initial measurement, lease liabilities are increased by their financial costs and decreased by the payment of lease rents. The lease obligation is recalculated to reflect any reassessments or modifications of the lease.

The Group and the Company chose to use the exceptions for the recognition of the standard in short-term leases, ie leases lasting less than 12 months that do not include the right of redemption, as well as in leases in which the underlying asset is of low value. For the above leases, the Group and the Company recognize the rents in the total income statement as expenses with the fixed method throughout the lease.

Finally, the Group and the Company chose not to separate the non-rental from the rental data and, conversely, to account for each leased and linked non-rental item as a single rental item for all categories of fixed assets, to which the use of rights refer.

The cost of the right to use an asset consists of:

- the amount of the initial measurement of the lease obligation
- any rents paid on or before the start of the lease period, minus any lease incentives received
- any initial direct costs charged by the lessee and
- an estimate of the costs to be incurred by the lessee in dismantling and disposing of the underlying asset, restoring the place where it is located or restoring the underlying asset to the condition in which it is provided by the terms and conditions of the lease unless such costs involve the production of stocks. The lessee undertakes to charge this cost either at the start date of the lease term or due to the use of the underlying asset for a specified period of time.

The rights to use assets are initially measured in cost, and then reduced by the amount of accumulated depreciation and impairment. Depreciation is carried out by the fixed method in the shortest period between the useful life of the asset and the duration of the lease. Finally, the rights to use assets are adjusted to specific recalculations of the corresponding lease obligation. When the rights of use of assets meet the definition of investment real estate, they are valued first at their cost and then at their fair value, according to the accounting policy of the Group and the Company.

Group Company as a lessee:

The leases in which the Group and the Company are lessees are classified either as financial or as operating. When, under the terms of the lease, virtually all the risks and benefits that accompany the tenant's ownership are transferred, the lease is classified as financial. All other leases are classified as operating leases. Revenues from operating leases are recognized by a fixed method during each lease.

l) Investment properties

Properties held for long-term rental income or for capital appreciation or both are classified as investment properties. Properties that are currently held for an indefinite future use, as management has not yet decided whether these properties will be used by the Group and the Company or sold in the short term, are considered to be used for capital investment and are categorized as investment properties.



Investment property is initially recognized at cost, including related direct acquisition costs and, where applicable, borrowing costs. Borrowing costs are capitalized when the acquisition or construction of an investment property is in progress and cease when the property is substantially completed, or suspended if the development of the property is suspended.

After initial recognition, the Group and the Company have elected to continue to measure investment property at cost less accumulated depreciation and any accumulated impairment losses.

Subsequent costs are added to the carrying amount of the property only when it is probable that future economic benefits, related to the property in question, will flow to the Group or the Company and that the related costs can be measured reliably. Repairs and maintenance costs are charged to the statement of comprehensive income of the year in which they are incurred.

Investment properties are derecognised when they are sold or when the use of an investment property permanently ceases and no financial benefit is expected from its sale.

Generally, reclassifications from and to investment properties are carried out when there is a change in use which is demonstrated as follows: a) start of own use of a property, for the transfer from investment properties to own use properties, b) end of own use of a property for the transfer from own use to investment properties.

m) Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

n) Intangible assets

Intangible assets are mainly including software licenses, which are shown at historical cost less subsequent amortization. Amortization is calculated using the straight-line method over the useful economic lives of the assets, which varies between 1 - 5 years. Costs required for software maintenance are recognized as expenses when incurred.

Research costs are expensed as incurred. The development costs of a specific program are recognized as an intangible asset when it can be proven:

- The technical ability to complete the intangible asset so that it is available for use or sale
- Intention to complete and ability to use or sell in a way in which the intangible asset will generate future economic benefits
- The availability of resources for the completion of the asset
- The ability to measure costs reliably during development

Development costs are valued at acquisition cost less depreciation carried out on a straight-line basis over the estimated useful lives of the assets, which is estimated at 10 years.

An intangible asset ceases to be recognized at disposal or when no future financial benefits are expected from the use or disposal of the asset. The gain or loss arising from the derecognition of an intangible asset is defined as the difference between the net value of disposal of the asset, if any, and the carrying amount of the asset and is recognized in the statement of comprehensive income when the asset ceases to be recognized.

o) Financial instruments - initial and subsequent measurement

A financial instrument is any contract that simultaneously creates a financial asset for an entity and a financial liability or equity instrument for another entity.

i) Financial assets

Initial recognition and measurement

Financial assets of the Group and the Company are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.



The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies in section [e\) Revenue from contracts with customers](#).

In order for a financial asset to be classified and measured at amortized cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding. This assessment is referred to as the 'solely payments of principal and interest' test and is performed at an instrument level.

Group's and Company's business model for managing financial assets refers to how the Group and the Company manage its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group and the Company commit to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortized cost (debt instruments)

This category is the most relevant to the Group and the Company. The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows

And

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's and Company's financial assets at amortised cost include trade receivables.

Financial assets at fair value through other comprehensive income (debt instruments)

The Group and the Company measure debt instruments at fair value through other comprehensive income if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling

And

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



For debt instruments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of comprehensive income and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income.

Upon derecognition of a financial asset, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to other comprehensive income as a revaluation adjustment.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group and the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through other comprehensive income when they meet the definition of equity under I.A.S. 32 “Financial Instruments: Presentation” and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group and the Company benefit from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income.

Equity instruments designated at fair value through other comprehensive income are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of comprehensive income.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

Derecognition of financial asset

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired

Or

- The Group and the Company have transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under



a 'pass-through' arrangement and either (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Group and the Company transfer a financial asset if, and only if, it either:

- transfers the contractual rights to receive the cash flows of the financial asset

Or

- retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement.

When the Group and the Company transfer a financial asset, they shall evaluate the extent to which retains the risks and rewards of ownership of the financial asset.

In this case:

- if the Group and the Company transfer substantially all the risks and rewards of ownership of the financial asset, the entity shall derecognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer.
- if the Group and the Company retain substantially all the risks and rewards of ownership of the financial asset, the Group and the Company shall continue to recognise the financial asset.
- if the Group and the Company neither transfer nor retain substantially all the risks and rewards of ownership of the financial asset, the Group and the Company shall determine whether it has retained control of the financial asset. In this case:

(i) if the Group and the Company have not retained control, they shall derecognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer.

(ii) if the Group and the Company have retained control, they shall continue to recognise the financial asset to the extent of its continuing involvement in the financial asset.

Impairment of financial assets

The Group and the Company recognise an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group or the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Expected credit losses are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, expected credit losses are provided for credit losses that result from default events that are possible within the next 12-months. For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default.

For trade receivables, the Group and the Company apply the simplified approach to calculate expected credit losses. Therefore, the Group and the Company do not monitor any changes in credit risk, but recognize impairment loss that is based on expected twelve-month credit losses or expected credit losses over the life of the financial assets at each reporting date.

For financial assets that are measured at fair value through other comprehensive income, the Group and the Company apply a simplified credit risk approach. At each reporting date, the Group and the Company assess whether the financial asset is considered to have a low credit risk using all reasonable and reliable information. In assessing this, the Group and the Company reassess its internal credit rating. In addition, the Group and the Company consider that there has been a significant increase in credit risk when contractual payments are over 30 days due to delay.



At each reporting date, the Group and the Company assess whether the credit risk on a financial instrument has increased significantly since initial recognition. The entity considers a change in the risk (default), if there is 90 days delay in the financial asset's payment, unless the Group and the Company have reasonable and reliable information showing that a default criterion that determines a longer delay is more appropriate. The definition of a default used for these purposes is consistently applied by the Group and Company to all financial assets, unless information arises that demonstrates that a different definition of the default is more appropriate for a particular financial asset. The Group and the Company derecognize the financial asset when it has no reasonable expectations of recovering the contractual cash flows on all or part of the financial asset.

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities of the Group and the Company are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, trade and other payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Group's and Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognised in the statement of comprehensive income.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group and the Company have not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

This is the most common category for the Group and the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included as finance costs in the statement of comprehensive income.

This category generally applies to interest-bearing loans and borrowings. Loans and borrowings are classified as current liabilities unless the Company has the right to defer settlement for at least twelve months from the date of financial position date. For more information on loans and borrowings, please refer to [note 28](#).

Trade and other payables

Trade payables are obligations for goods or services that have been acquired in the ordinary course of business by suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade account payables subsequent to the initial recognition are measured at amortized cost using the effective interest method. For more information on trade and other payable, please refer to [note 31](#).

Derecognition of financial liabilities

A financial liability (or part of it) is derecognised when the obligation under the liability is discharged or cancelled or expires.



When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability.

The difference in the respective carrying amounts is recognised in the statement of comprehensive income.

iii) Offsetting financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

p) Inventories

Inventories are stated at the lower of cost and net realizable value or at book value at the date of reclassification from investment properties. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories is determined using the annual weighted average method, which is consistently followed. The cost of inventories does not include financial expenses. Provision is made for slow moving or impaired inventories, if necessary.

q) Impairment of non-financial assets

Except for goodwill and other intangible assets with indefinite useful life which are tested for impairment on an annual basis, the carrying values of other non-current assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Whenever the carrying value of an asset exceeds its recoverable amount an impairment loss is recognised in the statement of comprehensive income. The recoverable amount is measured as the higher of fair value less cost to sell and value in use.

Fair value less cost is the amount for which the asset could be exchanged in an arm's length transaction between knowledgeable, willing parties, after deducting any direct incremental selling costs, while value in use is the present value of estimated future cash flows expected to arise from continuing use of the asset and from its disposal at the end of its useful life.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Impairment losses which were accounted for in prior years are reversed only when there is sufficient evidence that the assumptions used in determining the recoverable amount have changed. In these circumstances, the related reversal is recognised as income. Probable impairment of goodwill is not reversed. The carrying amount of a non-financial asset after reversing an impairment loss cannot exceed the carrying amount of the asset if the impairment loss had not been recognized.

r) Cash and short-term deposits

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

s) Share Capital

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

Expenses incurred for the issue of shares are recognized after deduction of the relevant income tax, net of the issue proceeds. Expenses related to the issue of shares for the acquisition of business are included in the acquisition cost of the business acquired.

Upon acquisition of treasury shares, the consideration paid, including the related expenses, is shown as a deduction from equity (share premium).

t) Provisions

Provisions are recognised when the Group or the Company have a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle this obligation and a reliable estimate of the amount of the obligation can be made.



Provisions are reviewed at each statement of financial position date and adjusted to reflect the present value of the expenditure expected to be required to settle the obligation. When the effect of time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate the risks specific to the liability.

Contingent liabilities are not recognised in the financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognised in the financial statements but are disclosed when an inflow of economic benefits is probable.

u) Pensions and other post employed liabilities

Short-term employee benefits

Short-term employee benefits in cash or in kind are recognized as expenses when accrued. Any outstanding amount is recognized as a liability, and if the amount already paid exceeds the amount of benefits, the excess amount is recognized as an asset (prepaid expense) only to the extent that the advance is recoverable.

Defined contributions plans

The Group and the Company have various contribution plans. Payments are determined by the local laws and regulations of the Funds. The Company has defined benefit plans and defined contribution plans.

A defined benefit plan is a pension plan that determines a certain amount of pension benefit that an employee will receive when he or she retires, which usually depends on one or more factors such as age, years of service and the amount of earnings.

Defined Contribution Plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity (a fund).

(a) Defined benefit plan

In accordance with the provisions of labour law in Greece, employees and workers are entitled to retirement compensation in the event of retirement, with the amount of pay varying depending on the compensation and the length of service of the employee or worker. This plan is considered a defined benefit plan.

The liability recognized in the consolidated and separate financial statements for defined benefit plans is the present value of the liability for the specified benefit, on the date of preparation of financial statements, reduced at fair value of the asset. The obligation of the specified benefit is calculated annually by an independent actuary using the method of the projected credit unit. The present value of the fixed benefit liability is calculated by discounting future cash flows with a discount rate of long-term high-credit corporate bond maturities that are expressed in the same currency as the contributory payments program and have a duration approximately equal with the retirement plan.

The cost of current employment of fixed benefit programs, which is recognized in the consolidated and corporate statement of total income in retirement benefits, unless it has already been included in the cost of an asset, represents an increase in the relevant liability as it arises from current employment, cuts in fixed benefits and settlements.

Actuarial profits or losses resulting from adjustments and changes in actuarial assumptions are charged or credited to equity in the consolidated statement of other total income / (losses) during the period in which they arise. The cost of previous service is recognized directly in the consolidated and separate income statement.

(b) Defined contribution plan

Groups and Company's employees are mainly covered by the main state-owned private insurance fund that provides retirement and medical benefits. Each employee is required to contribute part of his monthly salary to the fund, while part of the total contribution is covered by the Company. At retirement, the fund is responsible for the payment of pension benefits to retirees. Consequently, the Company has no legal or constructive obligation to pay future benefits under this plan. These contributions are recognized as an expense when they accrue and any outstanding amount is recognized as a liability. Contributions to pension funds for the years ended 31 December 2022 and 2021, amounted to Euro 1.011.447,84 and Euro 803.805,22 for the Group and Euro 684.435,24 and Euro 554.142,65 for the Company respectively ([Note 14](#)).



Termination benefits

Termination benefits result from either an entity's decision to terminate the employment or an employee's decision to accept an entity's offer of benefits in exchange for termination of employment. Termination benefits are paid by the Group and the Company when employees leave before the date of retirement or when the employee voluntarily retires in return for these benefits. The Group and the Company recognize these benefits earlier than the following dates: (a) when the Group or the Company can no longer withdraw the offer of those benefits; and (b) when the Group or the Company recognizes restructuring costs that fall within the scope of IAS 37 and includes payment of termination benefits.

4. Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those of the previous financial year except for the following amended IFRSs which have been adopted by the Group and the Company as of 1 January 2022.

IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets as well as Annual Improvements 2018-2020 (Amendments)

The amendments are effective for annual periods beginning on or after 1 January 2022 with earlier application permitted. The IASB has issued narrow-scope amendments to the IFRS Standards as follows:

- **IFRS 3 Business Combinations (Amendments)** update a reference in IFRS 3 to the previous version of the IASB's Conceptual Framework for Financial Reporting to the current version issued in 2018 without significantly changing the accounting requirements for business combinations.
- **IAS 16 Property, Plant and Equipment (Amendments)** prohibit a company from deducting from the cost of property, plant and equipment any proceeds from the sale of items produced while bringing the asset to the location and condition necessary for it be capable of operating in the manner intended by management. Instead, a company recognizes such sales proceeds and related cost in profit or loss.
- **IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendments)** specify which costs a company includes in determining the cost of fulfilling a contract for the purpose of assessing whether a contract is onerous. The amendments clarify, the costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to the contract activities.
- **Annual Improvements 2018-2020** make minor amendments to **IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture** and the Illustrative Examples accompanying **IFRS 16 Leases**.

Management has assessed the effect of the amendments and they did not affect the accounting policies, financial position or financial performance of the Group and the Company.

IFRS 16 Leases-Covid 19 Related Rent Concessions beyond 30 June 2021 (Amendment)

The Amendment applies to annual reporting periods beginning on or after 1 April 2021, with earlier application permitted, including in financial statements not yet authorized for issue at the date the amendment is issued. In March 2021, the Board amended the conditions of the practical expedient in IFRS 16 that provides relief to lessees from applying the IFRS 16 guidance on lease modifications to rent concessions arising as a direct consequence of the covid-19 pandemic. Following the amendment, the practical expedient now applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met. Management has assessed the effect of the amendments and they did not affect the accounting policies, financial position or financial performance of the Group and the Company.



5. Standard issued but not yet effective and not early adopted:

IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (Amendments)

The Amendments are effective for annual periods beginning on or after 1 January 2023 with earlier application permitted. The amendments provide guidance on the application of materiality judgements to accounting policy disclosures. In particular, the amendments to IAS 1 replace the requirement to disclose 'significant' accounting policies with a requirement to disclose 'material' accounting policies. Also, guidance and illustrative examples are added in the Practice Statement to assist in the application of the materiality concept when making judgements about accounting policy disclosures. The management has assessed the impact of the amendments and considers that they will not affect the accounting policies, the financial position or the financial performance of the Group and the Company.

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

The amendments become effective for annual reporting periods beginning on or after January 1, 2023 with earlier application permitted and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. The amendments introduce a new definition of accounting estimates, defined as monetary amounts in financial statements that are subject to measurement uncertainty, if they do not result from a correction of prior period error. Also, the amendments clarify what changes in accounting estimates are and how these differ from changes in accounting policies and corrections of errors. The management has assessed the impact of the amendments and considers that they will not affect the accounting policies, the financial position or the financial performance of the Group and the Company.

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

The amendments are effective for annual periods beginning on or after January 1, 2023 with earlier application permitted. The amendments narrow the scope of and provide further clarity on the initial recognition exception under IAS 12 and specify how companies should account for deferred tax related to assets and liabilities arising from a single transaction, such as leases and decommissioning obligations. The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement, having considered the applicable tax law, whether such deductions are attributable for tax purposes to the liability or to the related asset component. Under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal. The management has assessed the impact of the amendments and considers that they will not affect the accounting policies, the financial position or the financial performance of the Group and the Company.

IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (Amendments)

The amendments are effective for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted, and will need to be applied retrospectively in accordance with IAS 8. The objective of the amendments is to clarify the principles in IAS 1 for the classification of liabilities as either current or non-current. The amendments clarify the meaning of a right to defer settlement, the requirement for this right to exist at the end of the reporting period, that management intent does not affect current or non-current classification, that options by the counterparty that could result in settlement by the transfer of the entity's own equity instruments do not affect current or non-current classification. Also, the amendments specify that only covenants with which an entity must comply on or before the reporting date will affect a liability's classification. Additional disclosures are also required for non-current liabilities arising from loan arrangements that are subject to covenants to be complied with within twelve months after the reporting period. The amendments have not yet been endorsed by the EU. The management has assessed the impact of the amendments and considers that they will not affect the accounting policies, the financial position or the financial performance of the Group and the Company.



IFRS 16 Leases: Lease Liability in a Sale and Leaseback (amendments)

The amendments are effective for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted. The amendments are intended to improve the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction in IFRS 16, while it does not change the accounting for leases unrelated to sale and leaseback transactions. In particular, the seller-lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use it retains. Applying these requirements does not prevent the seller-lessee from recognising, in profit or loss, any gain or loss relating to the partial or full termination of a lease. A seller-lessee applies the amendment retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, being the beginning of the annual reporting period in which an entity first applied IFRS 16. The amendments have not yet been endorsed by the EU. The management has assessed the impact of the amendments and considers that they will not affect the accounting policies, the financial position or the financial performance of the Group and the Company.

Amendment in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015 the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. The amendments have not yet been endorsed by the EU. The management has assessed the impact of the amendments and considers that they will not affect the accounting policies, the financial position or the financial performance of the Group and the Company.

6. Significant accounting judgements, estimates and assumptions

The preparation of financial statements in accordance with IFRS requires that the Management make accounting estimates, assumptions and judgments that affect the balances of assets and liabilities, the disclosure of contingencies as well as income and expenses presented in Group's and Company's financial statements. Uncertainty about these assumptions and estimates may lead to results that require a significant adjustment to the carrying amount of the assets or liabilities affecting future periods.

6.1. Significant estimates and assumptions

Provision for income tax

Provision for income tax is measured according to IAS 12, at the amounts expected to be paid to the taxation authorities and includes the current income tax for each period, provision for additional taxes that may be imposed by the tax authorities and recognition of tax returns. If the final result of the audit is different from the one initially recognized, the difference will affect income tax and deferred tax asset / liability during the period of finalization of the result.

Depreciation of property, plant and equipment

Group's and Company's property, plant and equipment are depreciated over their useful lives. These useful lives are periodically reassessed to assess whether they continue to be appropriate. The useful lives of fixed assets may be differentiated by factors such as technological innovation and maintenance programs.

Impairment of property, plant and equipment

Property, plant and equipment are tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. In calculating the value in use, management estimates future cash flows from the asset or cash flow unit and selects the appropriate discount rate to calculate the present value of future cash flows.



Deferred tax assets

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that there will be sufficient tax profits to offset those tax losses. For the determination of deferred tax asset that may be recognised, the Company makes assumptions about whether these deferred tax assets can be recovered using the estimated future taxable income in accordance with the future tax planning strategies. Further details and information are included in [notes 15](#) and [20](#).

Provision for expected credit losses of trade receivables

The Management of the Group and the Company annually examine the recoverability of the amounts included in the accounts receivable, in combination with external information (customer credit rating databases, legal) in order to decide on the recoverability of the amounts included in the accounts receivable.

The doubtful accounts are presented based on the estimates for the amounts that are expected to be recovered after analysis as well as from the Group's and the Company's experience regarding the possibility of bad debts of the customers. As soon as it becomes known that a particular account is subject to a higher risk of normal credit risk (e.g. low creditworthiness of the customer, disagreement about the existence or amount of the receivable, etc.), the Group and the Company forms a provision for any doubtful receivables in order to cover the loss that can be reliably assessed and arising from these receivables. The formed provision is adjusted by charging the results of the respective year and any write-offs of receivables are made through the formed provision.

For trade receivables, of the Group and the Company apply the simplified standard approach and calculates the expected losses over the life of the receivables.

The Group and the Company calculate the expected credit losses throughout the life of its receivables. The Group and the Company is based on past experience which is adjusted in such a way as to reflect forecasts for the future financial situation of customers and the financial environment. At each date of the financial position, the historical percentages used are updated and the estimates of the future financial situation are analysed.

The correlation between the historical data, the future financial situation and the expected credit losses includes important estimates. The amount of expected credit losses depends to a large extent on changes in conditions and forecasts of the future financial situation. In addition, past experience and forecasts for the future may not lead to conclusions indicative of the true extent of customer default in the future.

Provisions for slow moving and obsolete inventories

The Management of the Group and the Company periodically re-evaluate the adequacy of the provision regarding slowly moving and impaired inventories. The provision is calculated based on the aging of the inventories and previous experience. For inventories that remain immovable, a relevant provision is made, which amounts to 100% of the cost value.

Pension and other defined benefit plans

The present value of the retirement benefits of the Group's and Company's defined benefit plans is determined using actuarial method. The actuarial valuation includes assumptions about the discount rate, future wage increases, mortality rates, the average annual long-run inflation rate and the average annual long-term GDP growth. Due to the long-term nature of these programs, these assumptions are subject to considerable uncertainty. Further details and information are included in [note 30](#).

Estimates for the budget of construction contracts - Revenue recognition

In order the Group and the Company to recognize income from long-term service contracts, they use the input method (completion rate method) in accordance with IFRS 15. According to input methods, revenue is recognized based on the efforts or inputs of the Group and the Company in order to meet the enforcement obligation (for example, resources consumed, hours worked required, expenditure incurred, time elapsed or hours of use of machinery) in relation to the total estimated inputs for fulfilling the enforcement.

Input method requires from the Management estimates regarding the following:

- the budget of the cost of execution of the projects and therefore of the gross margin,
- the recovery of claims from additional work or from costs of delay / acceleration of the project,



- the effect that the modifications of the contractual object may have on the profit margin of the project,
- The completion of predetermined milestones within the schedule, and
- provisions for loss-making projects.

The Management of the Group and the Company regularly examine the available information regarding the progress of the projects and reviews the budget data of the costs where it is deemed necessary.

Possible revisions to the total contractual cost and price are taken into account in the period in which the revision events occur and the relevant cost and revenue items are adjusted.

Discounting rate

For the discounting of future leases, the Group and the Company use the imputed interest rate of the lease. If this interest rate cannot be easily determined, the Group and the Company use its incremental borrowing rate. The interest rate is calculated separately for contracts that meet similar criteria, such as lease term and transaction currency, by assessing current and historical market economic indicators, taking into account issues of common bonds by companies with similar creditworthiness. The carrying amount of the lease liabilities is remeasured using a renewed discount rate if the contract is amended, or any changes are made to the duration of the contract, the fixed leases or to the assessment of purchase of the asset.

Going concern

Management considering: (a) the Company's financial position (b) the risks that the Company faces and could have an adverse effect on the Company's business model and capital adequacy and (c) the fact that no significant uncertainties are identified in relation to the Company's ability to continue to operate as a 'financial unit' for the foreseeable future and in any event for at least 12 months from the date of approval of the financial statements, states that it continues to consider the principle of "going concern" as the appropriate basis for the preparation of the financial statements and that there are no significant uncertainties regarding the Company's ability to continue to apply as a suitable basis for the preparation of its financial statements for the foreseeable future, and in any event for at least 12 months from the date of approval of the financial statements.

6.2. Significant judgments in the implementation of accounting policies

Determining the duration of the lease of contracts with renewal and termination rights - Group-Company as a lessee

The Group and the Company shall determine the lease period as a non-cancellable lease term, including any periods covered by right of lease extension, if it is reasonably certain to be exercised, or any periods covered by right of lease termination, if reasonably it will certainly not be exercised.

Impairment of financial assets

The Group and the Company follow the instructions of IFRS in order to determine when a financial asset has been impaired. This decision requires a significant judgment in which the Group and the Company evaluate, among others, the duration and extent to which the fair value of the financial asset is less than its cost.

Impairment of non-financial assets and investments

At each reporting date, the Group and the Company examine whether there is any indication of impairment for its non-financial assets, investments in associates and joint ventures. If there are indications, the Group and the Company assesses the recoverable amount of its assets. Determining whether there are relevant indications but also for determining cash-generating units, judgment is required.

Impairment of assets

Property, plant and equipment are examined for impairment whenever there is evidence that their carrying amount may not be recoverable. If any indication exists, Management estimates the expected future cash flows from the respective assets or cash-generating unit and selects an appropriate discount rate to calculate the present value of those cash flows.



7. Capital management

The main goal of the Group and the Company in relation to capital management is to ensure the maintenance of a high credit rating and sound capital ratios in order to support its operation and maximize shareholder value. The Company manages its capital structure and adjusts it, depending on the prevailing financial conditions. To maintain or adjust their capital structure, the Group and the Company may increase or decrease the debt, change the dividend to shareholders or return capital to shareholders.

The Group and the Company monitor the capital structure based on the gearing ratio, which is calculated by dividing net borrowing by total capital. The Group and the Company include the net borrowing the loan liabilities, trade liabilities, accrued expenses and other current liabilities, reduced in cash and cash equivalents, including financial assets that are considered highly liquid. Equity includes equity attributable to the shareholders of the Group and the Company. The purpose of the Group and the Company from the management of the capital is to continue their activity and to maintain the optimal capital structure to reduce the cost of capital.

The gearing ratio on 31 December 2022 and 2021, is calculated as follows:

	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Loans and liabilities (Note 28)	5.431.511,61	1.969.150,51	5.431.511,61	1.969.150,51
Lease liabilities (Note 32)	397.820,46	335.031,16	47.082,37	34.785,50
Trade and other payables (Note 31)	20.082.081,50	14.934.008,50	17.830.036,61	14.488.410,61
(Less) Cash equivalents and short-term deposits (Note 24)	(9.495.754,26)	(4.166.571,49)	(4.215.534,09)	(1.665.029,69)
Net liabilities	<u>16.415.659,31</u>	<u>13.071.618,68</u>	<u>19.093.096,50</u>	<u>14.827.316,93</u>
Equity attributable to Company's shareholders	<u>8.307.279,95</u>	<u>8.258.986,77</u>	<u>4.599.245,09</u>	<u>5.368.417,38</u>
Total equity	<u>8.307.279,95</u>	<u>8.258.986,77</u>	<u>4.599.245,09</u>	<u>5.368.417,38</u>
Total equity and net liabilities	<u>24.722.939,26</u>	<u>21.330.605,45</u>	<u>23.692.341,59</u>	<u>20.195.734,31</u>
Gearing ratio	66,40%	61,28%	80,59%	73,42%

No changes were made to the objectives, policies or procedures for managing capital in the years ended 31 December 2022 and 2021.

8. Group structure

Group's consolidated financial statements include the above companies:

Company	Main activity	Country	% Shareholding	
			2022	2021
Electromec Design Construction and Commercial Company S.A.	Construction	Greece	Parent Company	Parent Company
Gemec Limited	Energy	England	100,00	100,00
Electromec Srl	Construction	Romania	80,07	80,07



The consolidated and separate financial statements include the above joint operations:

Company	Main activity	Country	% Shareholding	
			2022	2021
J/O Electromec SA-Theon SA	Construction	Greece	91,00	91,00
J/O Electromec SA Dimer SA	Construction	Greece	50,00	50,00
J/O Electromec SA-Theon SA-J/O Electromec SA -Theon SA	Construction	Greece	50,00	50,00
J/O Dektor SA - Electromec SA	Construction	Greece	-	50,00
J/O Electromec SA-Theon SA	Construction	Greece	50,00	50,00
J/O Oikistis SA- Electromec SA	Construction	Greece	50,00	50,00
J/O Nostira Ltd- Electromec SA	Construction	Greece	50,00	50,00
J/O Ergotem SA- Electromec SA	Construction	Greece	35,00	35,00
J/O Electromec SA -Ergotem SA-Alktir SA	Construction	Greece	-	23,56
J/O Electromec SA-Violap SA-Nik G Palivos	Construction	Greece	-	20,63
J/O Electromec SA-Dimer SA-Ergoroi SA-Stathis Kokkinis Technology 2020 SA-Idrodynamiki SA	Construction	Greece	16,67	16,67
J/O Electromec SA - Violap SA	Construction	Greece	50,00	50,00
J/O Michanodomiki S.A. - Electromec S.A.	Construction	Greece	50,00	-
J/O Electromec S.A. - Violiap S.A. - X&K Techniki	Construction	Greece	33,33	-
J/O Electromec S.A - Violiap S.A. - X&K Techniki Epiririsi F/S/ 2023-2026	Construction	Greece	33,33	-

On 8 July 2022, the Company together with the company "Mechanodomiki Anonimi Technical Company." established a joint venture (joint venture) under the name "K/X Mechanodomiki S.A. - Electromec S.A." to undertake the execution of the "Mediterranean Area Networks" project which was awarded to the association of economic entities "Mechanical A.T.E. - Electromec S.A." based on the 941/19.05.2022 decision of the board of directors of DEDDIE S.A. and the electronic letter dated 30.06.2022 "Special invitation for the presentation of letters of guarantee and information for signing contracts", of a contractual budget of Euro 29.700.000,00.

The participation of each of the joint venture companies in the capital, property, profits and all assets and liabilities, as well as any damages, risks and responsibilities are determined as follows: "Mechanodomiki A.T.E." 50.00% of the entire project and "Electromec S.A." 50.00% of the total project. The capital of the joint venture (joint venture) is set at Euro 100.000,00.

On 3 August 2022, the Company together with the companies "Violiap Anonimi Technical Commercial Industrial Company" and "I.D. Chrysospathis - Ger. E. Kossovass OE" set up a joint operation (joint venture) under the name " Joint Venture Electromec S.A. - Violiap A.T.E.V.E. - X&K Techniki" to undertake the execution of the project "Maintenance and repair of light signalling installations of the Attica Region for 2022 - 2024)" which was awarded to the association of economic operators "Electromec S.A. - VIOLIAP ATEVE - X&K TECHNIKI" based on the 1422/28.06.2022 decision of the Economic Committee of the Region of Attica", of a contractual budget of Euro 4.596.705,00.

The participation of each of the joint venture companies in the capital, property, profits and all assets and liabilities, as well as any damages, risks and responsibilities is determined as follows: "Electromec S.A." 1/3 of the total project, "Violiap S.A." 1/3 of the total project and "X&K Techniki" 1/3 of the total project. The capital of the joint venture (joint venture) is set at Euro 105.000,00.

On 20 November 2022, between the Company and Ergotem A.T.E.B.E. a private dissolution and liquidation agreement of the joint venture (joint venture) under the name "J/O Ergotem ATEBE-Electromec SA" was signed.



On 2 December 2022, the Company together with the companies "Violiap Anonymi Technical Commercial Industrial Company" and "I.D. Chrysospathis - Ger. E. Kossovas OE" set up a joint venture (joint venture) under the name "Electromec Joint Venture S.A. - Violiap A.T.E.V.E. - C&K Technical Supervision Fiscal Year 2023-2026" to undertake the execution of the project "Surveillance, modernization and optimization of light signalling facilities in the prefecture of Attica" based on 2146/27.09.2022 decision of the Attica Regional Economic Commission", of a contractual budget of Euro 1.997.226,12.

The participation of each of the joint venture companies in the capital, property, profits and all assets and liabilities, as well as any damages, risks and responsibilities is determined as follows: "Electromec S.A." 1/3 of the total project, "Violiap S.A." 1/3 of the total project and "X&K Techniki" 1/3 of the total project. The capital of the joint venture (joint venture) is set at Euro 105.000,00.

The joint operations "J/O Dektor SA-Electromec SA", "J/O Electromec SA-Ergotem ATEVE-Alktir AKTE" and "J/O Electromec SA-Violiap ATEVE-Nik. G. Palyvos" were resolved within the fiscal year 2021.

The joint ventures "J/O Elektromec SA-Theon ATE", "J/O Elektromec SA-Theon ATE-J/O Elektromec S.A. Theon ATE", "J/O Atomon SA-Electromec SA" and "J/O Oikistis SA-Electromec SA" are under liquidation.

The joint operation "Electromec SA-Dimer SA-Ergoroi ATE-Stathis Kokkinis Technology 2020 SA-Idrodynamiki SA" is dormant.

9. Joint operations consolidated as a joint operation

The following amounts represent the share of the participants in the Joint Operations and specifically in their assets and liabilities as well as in their income and expenses. These amounts are included in the consolidated and separate statement of financial position, as well as in the consolidated and separate statement of comprehensive income of the Group and the Company for the years 2022 and 2021:

	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Assets				
Non-current assets	39.747,19	22.887,63	39.747,19	22.887,63
Current assets	2.580.658,95	1.982.286,33	2.580.658,95	1.982.286,33
	2.620.406,14	2.005.173,96	2.620.406,14	2.005.173,96
Liabilities				
Short term liabilities	2.570.422,45	1.801.587,52	2.570.422,45	1.801.587,52
	2.570.422,45	1.801.587,52	2.570.422,45	1.801.587,52
Equity	49.983,69	203.586,44	49.983,69	203.586,44
Revenues	2.698.046,75	2.423.628,77	2.698.046,75	2.423.628,77
(Expenses)	(2.651.569,39)	(2.425.296,10)	(2.651.569,39)	(2.425.296,10)
Income tax	(7.578,06)	-	(7.578,06)	-
Losses after tax	38.899,30	(1.667,33)	38.899,30	(1.667,33)



10. Revenue per category

Group's and Company's revenue per category are analysed as follows:

	Group		Company	
	1/1/2022 - 31/12/2022	1/1/2021 - 31/12/2021	1/1/2022 - 31/12/2022	1/1/2021 - 31/12/2021
Sales from construction contracts	46.143.617,88	31.000.622,38	34.621.082,82	27.134.984,07
Sales from construction contracts through joint operations	2.695.893,84	2.423.623,98	2.695.893,84	2.423.623,98
Total	48.839.511,72	33.424.246,36	37.316.976,66	29.558.608,05

11. Operating expenses

Group's and Company's expenses per category are analysed as follows:

	Group		Company	
	1/1/2022 - 31/12/2022	1/1/2021 - 31/12/2021	1/1/2022 - 31/12/2022	1/1/2021 - 31/12/2021
Employee benefits expenses (Note 14)	4.184.147,28	3.361.660,80	2.938.460,23	2.357.588,91
Cost of goods recognised as an expense	22.787.526,76	12.819.993,64	18.252.776,23	12.086.503,08
Depreciation of property plant and equipment (Note16)	340.627,94	248.517,60	321.756,30	228.179,16
Amortization of intangible assets (Note 18)	9.645,96	6.223,91	9.645,96	6.223,91
Depreciation of right of use (Note 32)	274.481,58	232.889,81	26.879,98	29.312,17
Subcontractors' fees	11.985.454,26	10.724.421,68	9.996.764,93	10.705.688,14
Third parties' fees	3.265.241,99	2.288.871,09	1.886.950,26	1.221.792,66
Third parties' facilities	164.880,91	111.784,55	56.105,06	31.751,38
Transportation expenses	970.217,54	650.097,35	969.679,29	649.742,54
Repairs and maintenance of property plant and equipment	280.654,29	282.193,78	263.568,82	271.003,83
Operating leases	325.195,37	255.080,59	157.092,37	189.995,90
Insurance expenses	364.252,78	214.402,18	238.866,86	131.631,63
Telecommunication expenses	77.536,48	81.164,09	56.505,92	63.845,36
Travel expenses	257.081,67	166.973,53	15.503,99	17.804,13
Consumables	56.030,73	50.113,63	28.536,73	28.310,66
Taxes and fees (except income tax)	236.580,09	193.279,92	236.580,09	193.131,34
Other operating expenses	584.710,53	458.441,04	426.177,96	346.566,92
Total	46.164.266,16	32.146.109,19	35.881.850,98	28.559.071,72

The allocation of expenses per type is analysed as follows:

	Group		Company	
	1/1/2022 - 31/12/2022	1/1/2021 - 31/12/2021	1/1/2022 - 31/12/2022	1/1/2021 - 31/12/2021
Cost of sales	44.271.141,59	30.392.344,00	34.487.856,21	27.172.589,69
Administration expenses	1.893.124,57	1.753.765,19	1.393.994,77	1.386.482,03
Total	46.164.266,16	32.146.109,19	35.881.850,98	28.559.071,72



Depreciation and amortisation per type are analysed as follows:

	Group		Company	
	1/1/2022 - 31/12/2022	1/1/2021 - 31/12/2021	1/1/2022 - 31/12/2022	1/1/2021 - 31/12/2021
Cost of sales	613.449,50	450.700,33	348.636,28	228.179,16
Administration expenses	11.305,98	36.930,99	9.645,96	35.536,08
Total	624.755,48	487.631,32	358.282,24	263.715,24

12. Other operating income / (expenses)

Group's and Company's other operating income are analysed as:

	Group		Company	
	1/1/2022 - 31/12/2022	1/1/2021 - 31/12/2021	1/1/2022 - 31/12/2022	1/1/2021 - 31/12/2021
Gains from sale of property plant and equipment	6.325,97	397,98	6.325,97	397,98
Rental income	1.000,00	-	1.000,00	-
Depreciation of government grants	92.737,37	-	92.737,37	-
Other operating income	359.039,98	29.011,53	297.119,18	29.011,53
Total operating income	459.103,32	29.409,51	397.182,52	29.409,51

Group's and Company's other operating expenses are analysed as:

	Group		Company	
	1/1/2022 - 31/12/2022	1/1/2021 - 31/12/2021	1/1/2022 - 31/12/2022	1/1/2021 - 31/12/2021
Losses from sale of property plant and equipment	14.227,80	7.983,92	7.120,30	0,01
Allowance for bad debts	83.919,53	-	-	-
Other operating expenses	14.585,77	26.288,79	12.837,46	26.288,79
Total operating expenses	112.733,10	34.272,71	19.957,76	26.288,80

13. Financial expenses/income

Group's and Company's financial expenses are analysed as follows:

	Group		Company	
	1/1/2022 - 31/12/2022	1/1/2021 - 31/12/2021	1/1/2022 - 31/12/2022	1/1/2021 - 31/12/2021
Interest expense from bank loan	244.609,83	102.706,43	244.609,83	102.706,43
Interest from lease liabilities (Note 32)	12.633,48	13.632,62	684,83	1.520,04
Losses from exchange differences	674,53	92.483,92	673,49	-
Other	237.350,74	196.437,05	236.373,59	194.842,92
Total financial expenses	495.268,58	405.260,02	482.341,74	299.069,39



Group's and Company's financial income are analysed as follows:

	Group		Company	
	1/1/2022 - 31/12/2022	1/1/2021 - 31/12/2021	1/1/2022 - 31/12/2022	1/1/2021 - 31/12/2021
Interest income	0,52	1.673,53	0,52	1.673,53
Gains from exchange differences	36.015,75	-	-	-
Total financial income	36.016,27	1.673,53	0,52	1.673,53

14. Payroll and related expenses

Group's and Company's payroll and related expenses are analysed as follows:

	Group		Company	
	1/1/2022 - 31/12/2022	1/1/2021 - 31/12/2021	1/1/2022 - 31/12/2022	1/1/2021 - 31/12/2021
Wages and salaries	3.139.157,69	2.568.110,90	2.220.483,24	1.813.701,58
Social security costs and other employer contributions (Note 30)	1.011.447,84	803.805,22	684.435,24	554.142,65
Other expenses	1.790,00	2.700,00	1.790,00	2.700,00
Employee benefits (Note 30)	31.751,75	(12.955,32)	31.751,75	(12.955,32)
Total	4.184.147,28	3.361.660,80	2.938.460,23	2.357.588,91

15. Income tax

Income tax presented in the consolidated and separate statement of comprehensive income is analysed as follows:

	Group		Company	
	1/1/2022 - 31/12/2022	1/1/2021 - 31/12/2021	1/1/2022 - 31/12/2022	1/1/2021 - 31/12/2021
Current income tax	603.740,73	233.808,75	362.850,40	203.750,37
Deferred income tax (Note 20)	3.373,72	19.618,07	3.723,11	19.157,85
Previous year's income tax	-	3,25	-	-
Income tax in the statement of comprehensive income	607.114,45	253.430,07	366.573,51	222.908,22

With Law 4799/2021 the corporate income tax rate was reduced from 24%, applicable for the 2020 fiscal year, to 22% for the tax incomes of the 2021 fiscal year and thereafter.



The reconciliation between the income tax that appears in the statement of comprehensive income and the amount of income taxes determined by the application of the Greek tax rate to pre-tax losses can be summarized as follows:

	Group		Company	
	1/1/2022 - 31/12/2022	1/1/2021 - 31/12/2021	1/1/2022 - 31/12/2022	1/1/2021 - 31/12/2021
Profit before tax	2.562.363,47	869.687,48	1.330.009,22	705.261,18
Tax calculated at tax applicable rates (2022: 22%, 2021: 22%)	563.719,96	191.331,25	292.602,03	155.157,46
Non-taxable income	(12.492,77)	(4.839,56)	-	37,87
Non-deductible expenses for taxation purposes	92.406,34	65.914,59	75.241,81	61.952,11
Tax losses of previous years carried forward	(3.416,68)	(1.091,41)	(3.416,68)	(1.091,41)
Tax losses for which no deferred tax has been recognized	2.146,35	162,43	2.146,35	-
1% income tax on subsidiary sales in Romania	616,87	-	-	-
Differences in tax rates	(35.865,62)	1.949,52	-	6.852,19
Previous year's income tax	-	3,25	-	-
Total	607.114,45	253.430,07	366.573,51	222.908,22

Income tax has been calculated based on profits before tax multiplied by the Company's domestic nominal tax rate. In accordance with current tax laws, tax rate for the operations of the Company in Greece amounts to 22% effective on 31 December 2022 and 22% effective on 31 December 2021.

Greek tax legislation is subject to interpretation by the tax authorities. Income tax statements are filed annually but the profits or losses reported for tax purposes remain temporary until the tax authorities examine the tax statements and books, at which time the relevant tax liabilities will also be cleared. Tax losses, to the extent recognized by the tax authorities, can be used to offset the profits of the five subsequent years following the year that concern.

Tax compliance certificate

The Greek Societes Anonymes whose annual financial statements are compulsorily or optionally audited by a Statutory Auditor or an audit firm in accordance with the provisions of Law 4336/2015, article 2, paragraph A, sub-paragraph A.1, subsection 1 and subsection 2 respectively, receive optional annual tax certificate provided by article 65A of L.4174/2013 which is issued after a tax audit carried out by the same Statutory Auditor or audit firm that audits the annual financial statements.

Upon completion of the tax audit, the Statutory Auditor or audit firm issues to the company "Tax Compliance Certificate" and then the Statutory Auditor or audit firm submits it electronically to the Ministry of Finance.

The Company has received a tax compliance certificate from the Statutory Auditor for the financial years 2011 to 2021.

For the year 2022, the Company has requested its statutory auditor to issue a tax certificate, which is under process, in accordance with the provisions of Article 65A L.4174/2013. Upon the completion of the aforementioned tax audit, no significant, additional tax liabilities are expected to arise, in excess of those provided for and disclosed in the financial statements. According to POL.1006/05.01.2016, the companies for which a tax certificate is issued without qualification are not exempted from conducting tax audits by the tax authorities.



Unaudited fiscal years

The Company has been audited by tax authorities until the year ended 31 December 2007.

The Company has not been audited by the tax authorities for the fiscal years 2008 to 2022. However, the tax liabilities of the Company for the year ended from 31 December 2008 to December 2016 have become definitive since the decision of the Plenary of the Council of State 1738/2017 entitled the Greek State to the imposition of fines and taxes expired on 31 December 2014 to 31 December 2022 for the years ended from 2008 to 2016 respectively. The unaudited fiscal years of the Company are the years ended 31 December 2017, 2018, 2019, 2020, 2021 and 2022.

Company's Management does not expect additional liabilities from the tax unaudited years beyond the tax liabilities presented in the financial statements for the year ended 31 December 2022.

The nominal income tax rate for the fiscal year ended 31 December 2022 to which the Group is subject for its activities in England and Romania is 19% (2021: 19%) and 16% (2021: 16%) respectively.

The other companies of the Group have not been audited for the fiscal years listed below and consequently their tax liabilities have not become final:

Gemec Ltd	2015-2022
Electromec Srl	2011-2022



16. Property, plant and equipment

Group's and Company's property plant and equipment are analysed as follows:

Group

	Land - Buildings	Machinery and other equipment	Transportation means	Furniture and other equipment	Advances and assets under construction	Total
Cost						
Balance at 1 January 2021	1.486.743,93	873.625,17	1.253.931,16	502.168,59	-	4.116.468,85
Additions	186.214,44	106.572,00	225.374,40	82.576,45	140.533,23	741.270,52
Disposals	-	-	(49.524,45)	-	-	(49.524,45)
Exchange differences	(171,12)	(9,18)	8.971,26	297,24	-	9.088,20
Balance at 31 December 2021	1.672.787,25	980.187,99	1.438.752,37	585.042,28	140.533,23	4.817.303,12
Balance at 1 January 2022	1.672.787,25	980.187,99	1.438.752,37	585.042,28	140.533,23	4.817.303,12
Additions	277.721,67	137.196,46	230.920,08	138.174,04	308.626,13	1.092.638,38
Disposals	(10.321,62)	-	(66.493,98)	-	(246.794,67)	(323.610,27)
Transfer to investment property	(975.958,90)	-	-	-	-	(975.958,90)
Exchange differences	(1,04)	(0,06)	(10.173,82)	(469,16)	-	(10.644,08)
Balance at 31 December 2022	964.227,36	1.117.384,39	1.593.004,65	722.747,16	202.364,69	4.599.728,25
Accumulated depreciation						
Balance at 1 January 2021	121.772,79	643.012,13	610.576,39	357.035,64	-	1.732.396,95
Depreciation	17.396,11	32.876,55	135.952,24	62.292,70	-	248.517,60
Disposals	-	-	(38.169,86)	-	-	(38.169,86)
Exchange differences	-	(9,18)	2.262,01	72,58	-	2.325,41
Balance at 31 December 2021	139.168,90	675.879,50	710.620,78	419.400,92	-	1.945.070,10
Balance at 1 January 2022	139.168,90	675.879,50	710.620,78	419.400,92	-	1.945.070,10
Depreciation	21.685,70	45.668,72	156.443,16	116.830,36	-	340.627,94
Disposals	-	-	(42.395,96)	-	-	(42.395,96)
Transfer to investment property	(94.315,05)	-	-	-	-	(94.315,05)
Exchange differences	-	(0,06)	(3.316,31)	(141,20)	-	(3.457,57)
Balance at 31 December 2022	66.539,55	721.548,16	821.351,67	536.090,08	-	2.145.529,46
Net Book Value 31.12.2021	1.533.618,35	304.308,49	728.131,59	165.641,36	140.533,23	2.872.233,02
Net Book Value 31.12.2022	897.687,81	395.836,23	771.652,98	186.657,08	202.364,69	2.454.198,79


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Company

	Land - Buildings	Machinery and other equipment	Transportation means	Furniture and other equipment	Advances and assets under construction	Total
Cost						
Balance at 1 January 2021	1.476.250,15	873.061,95	1.098.810,03	497.917,32	-	3.946.039,45
Additions	186.214,44	106.572,00	160.413,91	78.205,19	140.533,23	671.938,77
Disposals	-	-	(35.243,50)	-	-	(35.243,50)
Balance at 31 December 2021	1.662.464,59	979.633,95	1.223.980,44	576.122,51	140.533,23	4.582.734,72
Balance at 1 January 2022	1.662.464,59	979.633,95	1.223.980,44	576.122,51	140.533,23	4.582.734,72
Additions	277.721,67	137.196,46	217.055,40	138.174,04	308.626,13	1.078.773,70
Disposals	-	-	(56.465,00)	-	(246.794,67)	(303.259,67)
Transfer to investment property	(975.958,90)	-	-	-	-	(975.958,90)
Balance at 31 December 2022	964.227,36	1.116.830,41	1.384.570,84	714.296,55	202.364,69	4.382.289,85
Accumulated depreciation						
Balance at 1 January 2021	121.772,79	642.448,91	557.704,35	356.398,29	-	1.678.324,34
Depreciation	17.396,11	32.876,55	116.831,80	61.074,70	-	228.179,16
Disposals	-	-	(35.243,45)	-	-	(35.243,45)
Balance at 31 December 2021	139.168,90	675.325,46	639.292,70	417.472,99	-	1.871.260,05
Balance at 1 January 2022	139.168,90	675.325,46	639.292,70	417.472,99	-	1.871.260,05
Depreciation	21.685,70	45.668,72	138.604,63	115.797,25	-	321.756,30
Disposals	-	-	(39.200,67)	-	-	(39.200,67)
Transfer to investment property	(94.315,05)	-	-	-	-	(94.315,05)
Balance at 31 December 2022	66.539,55	720.994,18	738.696,66	533.270,24	-	2.059.500,63
Net Book Value 31.12.2021	1.523.295,69	304.308,49	584.687,74	158.649,52	140.533,23	2.711.474,67
Net Book Value 31.12.2022	897.687,81	395.836,23	645.874,18	181.026,31	202.364,69	2.322.789,22

Company's property is subject to collaterals amounted to Euro 1.769.222,30 (2021 Euro 1.769.222,30) in order to cover liabilities of a total amount Euro 2.011.476,54 at 31 December 2022 (2021 Euro 3.079.020,71). At 7 March 2023, the mortgage was removed based on the decision of Single-member Court of First Instance of Athens.

17. Investment properties

Group's and Company's investment property are analysed as follows:

	Group	Company
Cost		
Balance at 1 January 2022	-	-
Transfers from owned use land and buildings	975.958,90	975.958,90
Balance at 31 December 2022	975.958,90	975.958,90
Accumulated depreciation		
Balance at 1 January 2022	-	-
Transfers from owned use land and buildings	(94.315,05)	(94.315,05)
Balance at 31 December 2022	(94.315,05)	(94.315,05)
Net Book Value 31.12.2021	-	-
Net Book Value 31.12.2022	881.643,85	881.643,85

Based on the decision of the Extraordinary General Meeting of the Company's shareholders at July 1, 2022, the amendment of article 2 (the Company's headquarters) of the articles of association was approved. The registered office of the Company is defined as the Municipality of Kropias at 12 Galini Street, in a property



owned by the Company at Mantra Douni or Rdokia Koropiou. The previous headquarters of the Company was in Athens at 26 Oikonomou Street, property owned by the Company.

This resulted in the change in the use of the property at 26 Oikonomou Street due to the end of its own use and due to the decision of the Group and the Company to sell it in the short term. Consequently, within the current fiscal year, it was re-classified from owned use to investment property.

18. Intangible assets

Group's and Company's intangible assets are analysed as follows:

Group

	Software	Total
Cost		
Balance at 1 January 2021	47.840,73	47.840,73
Additions	22.901,44	22.901,44
Exchange differences	(14,20)	(14,20)
Balance at 31 December 2021	70.727,97	70.727,97
Balance at 1 January 2022	70.727,97	70.727,97
Additions	24.948,00	24.948,00
Exchange differences	(0,04)	(0,04)
Balance at 31 December 2022	95.675,93	95.675,93
Accumulated depreciation		
Balance at 1 January 2021	33.356,67	33.356,67
Depreciation	6.223,91	6.223,91
Exchange differences	(14,20)	(14,20)
Balance at 31 December 2021	39.566,38	39.566,38
Balance at 1 January 2022	39.566,38	39.566,38
Depreciation	9.645,96	9.645,96
Exchange differences	(0,04)	(0,04)
Balance at 31 December 2022	49.212,30	49.212,30
Net Book Value 31.12.2021	31.161,59	31.161,59
Net Book Value 31.12.2022	46.463,63	46.463,63

Company

	Software	Total
Cost		
Balance at 1 January 2021	47.424,84	47.424,84
Additions	22.901,44	22.901,44
Balance at 31 December 2021	70.326,28	70.326,28
Balance at 1 January 2022	70.326,28	70.326,28
Additions	24.948,00	24.948,00
Balance at 31 December 2022	95.274,28	95.274,28
Accumulated depreciation		
Balance at 1 January 2021	32.940,78	32.940,78
Depreciation	6.223,91	6.223,91
Balance at 31 December 2021	39.164,69	39.164,69
Balance at 1 January 2022	39.164,69	39.164,69
Depreciation	9.645,96	9.645,96
Balance at 31 December 2022	48.810,65	48.810,65
Net Book Value 31.12.2021	31.161,59	31.161,59
Net Book Value 31.12.2022	46.463,63	46.463,63



19. Investment in subsidiaries

Company's investments in subsidiaries is analysed as follows:

	<u>Company</u>	
	<u>31/12/2022</u>	<u>31/12/2021</u>
Balance at the beginning of the year	2.358,00	2.358,00
Balance at the end of the year	2.358,00	2.358,00

Summary financial information for subsidiaries:

<u>Company</u>	<u>Country</u>	<u>31/12/2022</u>		<u>31/12/2021</u>	
		<u>Percentage Shareholding</u>	<u>Book Value</u>	<u>Percentage Shareholding</u>	<u>Book Value</u>
Gemec Limited	England	100,00%	136,26	100,00%	136,26
Electromec Srl	Romania	80,07%	2.221,74	80,07%	2.221,74
	Total		2.358,00		2.358,00

20. Deferred tax

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

	<u>Group</u>		<u>Company</u>	
	<u>31/12/2022</u>	<u>31/12/2021</u>	<u>31/12/2022</u>	<u>31/12/2021</u>
Deferred tax assets				
Recoverable after 12 months	186.241,10	193.930,59	186.241,10	193.930,59
Recoverable within 12 months	-	-	-	-
	<u>186.241,10</u>	<u>193.930,59</u>	<u>186.241,10</u>	<u>193.930,59</u>
Deferred tax liabilities				
To be settled after 12 months	(129.870,56)	(134.345,63)	(127.094,59)	(131.060,97)
To be settled within 12 months	-	-	-	-
	<u>(129.870,56)</u>	<u>(134.345,63)</u>	<u>(127.094,59)</u>	<u>(131.060,97)</u>
	<u>56.370,54</u>	<u>59.584,96</u>	<u>59.146,51</u>	<u>62.869,62</u>

The movement on the consolidated and separate deferred income tax account is as follows:

	<u>Group</u>		<u>Company</u>	
	<u>31/12/2022</u>	<u>31/12/2021</u>	<u>31/12/2022</u>	<u>31/12/2021</u>
Opening balance	59.584,96	79.379,43	62.869,62	82.009,40
(Debit)/ Credit in the statement of comprehensive income (Note 15)	(3.373,22)	(19.618,07)	(3.723,11)	(19.157,85)
Credit in the statement of total comprehensive income	-	18,07	-	18,07
Exchange differences	159,30	(194,47)	-	-
Closing balance	<u>56.370,54</u>	<u>59.584,96</u>	<u>59.146,51</u>	<u>62.869,62</u>

Changes in consolidated and separate deferred tax assets and liabilities during the year without offsetting balances within the same tax authority are the following:



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Group	Statement of financial position		Statement of comprehensive income	
	31/12/2022	31/12/2021	1/1/2022 - 31/12/2022	1/1/2021 - 31/12/2021
	Depreciation for tax purposes	(127.094,59)	(131.060,97)	(3.966,38)
Amortisation for tax purposes	0,01	0,01	-	-
Rents' guarantees	(2.235,75)	(2.440,58)	(79,54)	1.034,87
Provision for doubtful debts	38.681,00	38.681,00	-	3.516,45
Leases	(11.074,17)	(351,89)	10.756,29	(1.025,14)
Losses from joint operations	133.440,84	133.061,13	(379,71)	14.275,34
Provision for employee benefits	24.653,20	21.696,26	(2.956,94)	6.350,38
Debit/(credit) in the statement of comprehensive income			3.373,22	19.618,07
Deferred assets	56.370,54	59.584,96		

Company	Statement of financial position		Statement of comprehensive income	
	31/12/2022	31/12/2021	1/1/2022 - 31/12/2022	1/1/2021 - 31/12/2021
	Depreciation for tax purposes	(127.094,59)	(131.060,97)	(3.966,38)
Amortisation for tax purposes	0,01	0,01	-	-
Provision for doubtful debts	38.681,00	38.681,00	-	3.516,45
Leases	(10.533,95)	492,19	11.026,14	(450,49)
Losses from joint operations	133.440,84	133.061,13	(379,71)	14.275,34
Provision for employee benefits	24.653,20	21.696,26	(2.956,94)	6.350,38
Debit/(credit) in the statement of comprehensive income			3.723,11	19.157,85
Deferred assets	59.146,51	62.869,62		

21. Inventories

Group's and Company's inventories are analysed as follows:

	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Raw materials	114.121,04	-	114.121,04	-
Merchandises	1.248.472,91	1.347.665,84	1.248.472,91	1.347.661,60
Raw materials in receipt	839.153,54	288.305,45	839.153,54	288.305,45
Total	2.201.747,49	1.635.971,29	2.201.747,49	1.635.967,05



22. Trade and other receivables

Group's and Company's trade and other receivables are analysed as follows:

	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Trade receivables	8.825.788,92	6.996.177,79	8.016.416,74	6.340.650,91
Retained guarantees (e.g. good performance)	2.871.651,35	2.294.892,31	2.871.651,35	2.294.892,31
Less: Provisions for impairment	(390.286,23)	(306.366,70)	(306.366,70)	(306.366,70)
Total trade receivables	11.307.154,04	8.984.703,40	10.581.701,39	8.329.176,52
Receivables from construction contracts	5.333.945,13	4.378.637,47	5.269.571,23	4.314.274,22
Advance payments to suppliers	774.133,47	725.677,40	774.133,47	725.677,40
Receivables from related parties	3.750,75	3.750,75	3.750,75	3.750,75
Receivable from Greek State	941.599,52	1.431.736,24	940.818,81	1.430.992,20
Receivables from joint operations	177.852,86	403.106,61	177.852,86	403.106,61
Prepaid expenses	508.164,78	184.910,85	508.164,78	184.910,85
Post-dated cheques	35.000,00	35.000,00	35.000,00	35.000,00
Other receivables	368.340,60	340.446,27	336.195,19	307.220,67
Other receivables	19.449.941,15	16.487.968,99	18.627.188,48	15.734.109,22
Non-current assets	68.541,85	61.232,28	56.774,82	28.006,68
Current asset	19.381.399,30	16.426.736,71	18.570.413,66	15.706.102,54
	19.449.941,15	16.487.968,99	18.627.188,48	15.734.109,22

In the category "Trade and other receivables" of the previous year and more specifically in the sub-category "Receivables from the State" is included an amount of Euro 681.833,88 which concerns the Company's claim from Value Added Tax (VAT). The Company applied for a refund from the Greek State for an amount of Euro 618.188,02 which was collected after a tax audit on 15 June 2022.

The movement of provision for doubtful debts of the Group and the Company for the years ended 31 December 2022 and 2021, is analysed as follows:

	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Opening balance	(306.366,70)	(306.366,70)	(306.366,70)	(306.366,70)
Provisions for impairment	(83.919,53)	-	-	-
Reversal of provisions for impairment	-	-	-	-
Ending balance	(390.286,23)	(306.366,70)	(306.366,70)	(306.366,70)

The maturity of the Group's and Company's trade and other receivables for the year ended 31 December 2022 and 2021 is analysed as follows:

Group		Total	Not past due and not impaired
	2022	11.342.154,04	11.342.154,04
	2021	9.019.703,40	9.019.703,40
Company		Total	Not past due and not impaired
	2022	10.616.701,39	10.616.701,39
	2021	8.364.176,52	8.364.176,52



23. Blocked deposits

Group's and Company's blocked deposits are analysed as follows:

	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Current assets	-	83.334,00	-	83.334,00
Total	-	83.334,00	-	83.334,00

The blocked deposits at 31 December 2021 of the Group and the Company amounting to Euro 83.334,00 concern a guarantee equal to 10% of the long-term loan amounting to Euro 833.333,32. At July 6, 2022, the Group and the Company fully repaid the specific loan and therefore the blocked deposit was removed (Note 28).

24. Cash equivalent and short-term deposits

Group's and Company's cash equivalent and short term deposits are analysed as follows:

	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Cash on hand	20.720,85	8.067,25	20.320,39	7.644,56
Cash at banks	9.475.033,41	4.158.504,24	4.195.213,70	1.657.385,13
Total	9.495.754,26	4.166.571,49	4.215.534,09	1.665.029,69

Bank deposits are accrued at floating rates based on monthly bank rates. The carrying amounts of cash and deposits approach their fair value due to the relatively short maturity of these financial assets.

Interest income from sight and time deposits is accounted using the accrual method, for the years ended 31 December 2022 and 2021, amounted for the Group to Euro 0,52 and Euro 1.673,53 respectively, for the Company and to Euro 0,52 and Euro 1.673,53 respectively and is included in the financial income in the attached consolidated and corporate statements of total income (Note 13).

Group's and Company's cash and cash equivalents are analysed in the following currencies:

	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Euro	4.874.511,08	1.665.002,46	4.215.534,09	1.665.029,69
British Pound (GBP)	4.576.475,32	2.501.601,93	-	-
Romania Lei (RON)	44.767,86	(32,90)	-	-
Total	9.495.754,26	4.166.571,49	4.215.534,09	1.665.029,69

25. Share capital

	Number of shares	Ordinary shares	Total
Balance at 1 January 2021	28.800,00	576.000,00	576.000,00
Balance at 31 December 2021	28.800,00	576.000,00	576.000,00
Balance at 1 January 2022	28.800,00	576.000,00	576.000,00
Balance at 31 December 2022	28.800,00	576.000,00	576.000,00

On 31 December 2022 and December 2021, Company's authorized and issued share capital was divided into 28.800 shares, with nominal value 20,00 Euro each and was fully paid.



26. Reserves

Group's and Company's reserves are analysed as follows:

	Group				Total
	Statutory reserve	Tax free reserves	Other reserves	Exchange differences	
Balance at 1 January 2021	192.000,00	147.590,92	462.075,17	(139.531,09)	662.135,00
Reserves from intercompany dividends based on article 48 L.4172/2013	-	-	-	-	-
Exchange differences	-	-	-	167.302,58	167.302,58
Balance at 31 December 2021	192.000,00	147.590,92	462.075,17	27.771,49	829.437,58
Balance at 1 January 2022	192.000,00	147.590,92	462.075,17	27.771,49	829.437,58
Reserves from intercompany dividends based on article 48 L.4172/2013	-	-	-	-	-
Exchange differences	-	-	-	(181.421,14)	(181.421,14)
Balance at 31 December 2022	192.000,00	147.590,92	462.075,17	(153.649,65)	648.016,44

	Company			Total
	Statutory reserve	Tax free reserves	Other reserves	
Balance at 1 January 2021	192.000,00	147.590,92	413.334,67	752.925,59
Reserves from intercompany dividends based on article 48 L.4172/2013	-	-	-	-
Balance at 31 December 2021	192.000,00	147.590,92	413.334,67	752.925,59
Balance at 1 January 2022	192.000,00	147.590,92	413.334,67	752.925,59
Reserves from intercompany dividends based on article 48 L.4172/2013	-	-	-	-
Balance at 31 December 2022	192.000,00	147.590,92	413.334,67	752.925,59

(a) Statutory reserve

The statutory reserve is formed in accordance with the provisions of the Greek corporate legislation, Law 4548/2018, article 158, according to which an amount equal to at least 5% of the annual net profit tax is required to be transferred to the statutory reserve until such reserve reaches one-third of the paid-up share capital. The statutory reserve can be used to cover losses after a decision of the Ordinary General Meeting of shareholders, and therefore cannot be used for any other reason.

(b) Tax-free reserves of special provisions of laws

Tax-free reserves of special provisions of laws are Profit-based reserves, which are not subject to tax in accordance with specific development laws, because they were used for the acquisition of new fixed productive equipment. That is, they are formed from profits for which no tax is calculated and paid.

According to Greek law, tax-free reserves are not subject to tax provided they are not distributed. In case of distribution, income tax is payable on the amounts distributed based on the applicable tax rates. The Group and the Company does not intend to distribute all or part of these reserves in the foreseeable future and, therefore, has not formed a deferred tax liability.



27. Dividends

According to Greek company law, companies are required to distribute annually at least 35% of their after-tax profits (calculated at entity level) and after forming a statutory reserve and deducting any profits from the sale of equity shares representing at least 20% of the paid-up share capital of a subsidiary whose share capital has been held for at least 10 years, depending on the case. The net profit remaining on the valuation of financial instruments at fair value after deducting the losses arising from these financial instruments is not taken into account for the above calculation of the minimum dividend. In addition, the Annual General Meeting of a Greek company may decide (i) by a majority of at least 65% of the paid-up share capital the non-distribution of the above minimum dividend or the distribution of a smaller dividend or non-distribution of the dividend and in any event the transfer of the non-distributed dividend in a special reserve which shall be distributed within four years of the date of the General Meeting or (ii) by a majority of at least 70% of the paid-up share capital the non-distribution of the above minimum dividend or the distribution of a smaller dividend or non-distribution of the dividend, in each case without the obligation to transfer the unpaid dividend in the reserve mentioned above.

In addition, Greek company law and more specifically in accordance with paragraph 1 of section 159 of Law 4548/2018 on Societe Anonyme, it is prohibited to distribute dividends to shareholders provided that, at the end of the last financial year, all of the company's equity, as shown in the statement of financial position is or, after such distribution, will be less than the amount of equity, plus the reserves for which their distribution is prohibited by law or the Articles of Association.

For the year 2022, the distribution or non-dividend is subject to the approval of the annual regular general assembly of shareholders which will be held by the deadline set by paragraph 1 of article 119 of Law 4548/2018 as in force.

For the financial year 2021 the Annual Shareholders' General Assembly of 27 October 2022 decided the distribution of a dividend to shareholders of Euro 23,60 per share, i.e. a total amount of Euro 1.497.600,00.

The extraordinary general assembly of shareholders which took place on 21 February 2022, decided the distribution of a dividend to shareholders of Euro 8,16 per share, i.e. a total amount of Euro 235.008,00.

28. Interest bearing loans and borrowings

Group's and Company's Interest-bearing loans and borrowings:

	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Long term loans and borrowings				
Loans with fixed interest rate	2.563.552,12	-	2.563.552,12	-
Loans with floating interest rate	1.448.665,24	1.340.899,36	1.448.665,24	1.340.899,36
Total long-term loans and borrowings	4.012.217,36	1.340.899,36	4.012.217,36	1.340.899,36
Short term loans and borrowings				
Long-term liabilities of fixed interest rate payable in the next financial year	668.006,01	-	668.006,01	-
Long-term liabilities of floating interest rate payable in the next financial year	486.288,24	628.251,01	486.288,24	628.251,01
Loans with floating interest rate	265.000,00	0,14	265.000,00	0,14
Total short-term loans and borrowings	1.419.294,25	628.251,15	1.419.294,25	628.251,15
Total loan	5.431.511,61	1.969.150,51	5.431.511,61	1.969.150,51



Loans and borrowings are analysed in the following currencies:

	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Euro	5.431.511,61	1.969.150,51	5.431.511,61	1.969.150,51
	<u>5.431.511,61</u>	<u>1.969.150,51</u>	<u>5.431.511,61</u>	<u>1.969.150,51</u>

Bank loan of Euro 1.000.000

On 7 July 2020, the Company entered into a loan agreement with a financial institution, for the issuance of a loan of Euro 1.000.000,00, which was used to finance the working capital and business activities of the Company.

The loan is repayable in 18 consecutive quarterly instalments, the first paid on 14 April 2021 and the last on 14 July 2025.

The interest rate of the loan is a three-month Euribor plus spread and is secured by personal guarantees of the legal representatives.

The balance of the loan at 31 December 2021 amounted to Euro 833.333,32.

On 6 July 2022, the Company fully repaid the balance of the loan amounting to Euro 833.333,32.

Bank loan of Euro 500.000

On 2 September 2019, the Company entered into a loan agreement with a financial institution, for the issuance of a loan of Euro 500.000,00, which was used to finance the working capital and business activities of the Company.

The loan is repayable in 10 consecutive quarterly instalments, the first paid on 22 June 2020 and the last on 20 September 2022.

The interest rate of the loan is a three-month Euribor plus spread and is secured by personal guarantees of the legal representatives.

The balance of the loan at 31 December 2021 amounted to Euro 155.488,25 respectively.

On 24 January 2022, the Company fully repaid the balance of the loan amounting to Euro 155.488,25.

Bank loan

In a previous financial year, the Company entered into a loan agreement with a financial institution, for the issuance of a loan, which was used to finance the working capital and business activities of the Company.

The remaining loan at 31 December 2021 is repayable in 8 consecutive quarterly instalments of Euro 4.000,00. The last instalment is s payable on 2 August 2022.

The interest rate of the loan is a three-month Euribor plus spread and is secured with collaterals ([Note 16](#)).

The balance of the loan at 31 December 2022 and 31 December 2021, amounted to Euro 0,00 and 30.328,80 respectively.

Bank loan of Euro 800.000,00

On 2 August 2021, the Company entered into a loan agreement with a financial institution, for the issuance of a loan of Euro 800.000,00, which was used to finance the working capital and business activities of the Company.

The loan is repayable in 16 consecutive quarterly instalments, the first paid on 10 November 2021, and the last on 10 August 2025.

The interest rate of the loan is a three-month Euribor plus spread and is secured by personal guarantees of the legal representatives.



The balance of the loan at 31 December 2022 and 2021 amounted to Euro 550.000,00 and Euro 750.000,00 respectively.

Bank loan of Euro 200.000,00

On 6 December 2021, the Company entered into a loan agreement with a financial institution, for the issuance of a loan of Euro 200.000,00, which was used to finance the working capital and business activities of the Company.

The loan is payable by principal and interest in 18 consecutive equal quarterly instalments, the first paid on 7 September 2022, and the last on 7 December 2026.

The interest rate of the loan is a three-month Euribor plus spread and is secured by personal guarantees of the legal representatives.

The balance of the loan at 31 December 2021 amounted to Euro 200.000,00.

On 21 March 2022, the Company fully repaid the balance of the loan amounting to Euro 200.000,00.

Bank loan of Euro 3.500.000,00

On 30 December 2021, the Company entered into a loan agreement with the Infrastructure Fund (TAMYPOD) and with a financial institution, for the granting of a loan of Euro 3.500.000,00, which will be used exclusively to finance working capital, due to the increased needs of the Company's liquidity arising as a result of the pandemic outbreak of Covid 19.

The loan has a grace period of six (6) months, without interest capitalization, a period which starts from the date of the first disbursement of the loan and is payable in 9 equal six-month instalments of Euro 388.888,88 each, the first instalment payable twelve months after the first disbursement and the balances payable on the corresponding dates arising with the six-month periodicity. The last repayment date is sixty (60) months from the first disbursement.

The interest rate of the loan amounts to a fixed interest rate of 1% for the entire duration of the loan plus the legally applicable contributions and is secured by personal guarantees of the legal representatives.

When granting the loan, the bank provides the Company with a financial advantage which is reflected in the specified interest rate. The financial advantage is equal to 2,50% or 250 basis points.

Throughout the duration of the loan, the Company must comply with the following financial ratios:

1. Annual ADSCR ratio greater than or equal to 1,20, according to the auditor's certificate of compliance. ADSCR is defined as the ratio of annual net earnings operating earnings before taxes, interest and depreciation (EBITDA) less income tax less dividends to maturity instalments of capital from long-term bank loans and financial leases plus net debt interest (debit minus credit) greater or equal 1,20.
2. Annual total bank loan to turnover ratio less than or equal to 4,50 according to the auditor's compliance certificate.

The loan was disbursed during the fiscal management year and more specifically from 20 January 2022 to 26 April 2022. The balance of the loan on 31 December 2022 amounted to Euro 3.231.558,13.

The reconciliation of the nominal amount of the loan amounting to Euro 3.500.000,00 plus accrued and unpaid interest amounting to Euro 28.610,40 on 31 December 2022 for the Group and the Company is analysed as follows:

	31/12/2022
Amount of loan disbursed in the current fiscal year	3.500.000,00
Plus accrued interest 31/12/2022	28.610,40
Less transfer of government interest rate subsidy to government grants (Note 29)	(333.358,03)
Plus loan interest calculated at the effective rate of 4,10% on the amount without the government grant	64.916,16
Less accrued interest 31/12/2022 transferred to accrued expenses	(28.610,40)
Loan balance presented in the financial statements	3.231.558,13

**Bank loan of Euro 1.500.000,00**

On 30 December 2021, the Company entered into a loan agreement with the Infrastructure Fund (TAMYPOD) and with a financial institution, for the granting of a loan of Euro 1.500.000,00, which will be used exclusively to finance working capital, due to the increased needs of the Company's liquidity arising as a result of the epidemic outbreak of Covid 19.

The loan has a grace period of six (6) months, without interest capitalization, a period which starts from the date of the first disbursement of the loan and is payable in 9 equal six-month instalments of Euro 166.666,66 each, the first instalment payable twelve months after the first disbursement and the balances payable on the corresponding dates arising with the six-month periodicity. The last repayment date is sixty (60) months from the first disbursement.

The interest rate of the loan amounts to six-monthly Euribor plus a margin of 3,40% and is secured by personal guarantees of the legal representatives.

The above interest rate is reduced compared to what the bank would apply if it granted the loan under normal market conditions, without including it in the co-financing scheme for the Company's working capital. This reduction amounts to 10 (ten) basis points and is valid until the end of the loan.

Throughout the duration of the loan, the Company must comply with the following financial indicators:

1. Annual ADSCR ratio greater than or equal to 1,20, according to the auditor's certificate of compliance. ADSCR is defined as the ratio of annual net earnings Operating earnings before taxes, interest and depreciation (EBITDA) less income tax less dividends to maturity instalments of capital from long-term bank loans and financial leases plus net debt interest (debit minus credit) greater or equal 1,20.
2. Annual total bank loan to turnover ratio less than or equal to 4,50 according to the auditor's compliance certificate.

The loan was disbursed during the fiscal management year and more specifically from 20 January 2022 to 26 April 2022. The balance of the loan on 31 December 2022 amounted to Euro 1.384.953,48.

The reconciliation of the nominal amount of the loan amounting to Euro 3.500.000,00 plus accrued and unpaid interest amounting to Euro 34.092,90 on 31 December 2022 for the Group and the Company is analysed as follows:

	<u>31/12/2022</u>
Amount of loan disbursed in the current fiscal year	1.500.000,00
Plus accrued interest 31/12/2022	34.092,90
Less transfer of government interest rate subsidy to government grants (Note 29)	(142.867,73)
Plus loan interest calculated at the effective rate of 4,10% on the amount without the government grant	27.821,21
Less accrued interest 31/12/2022 transferred to accrued expenses	(34.092,90)
Loan balance presented in the financial statements	<u>1.384.953,48</u>

Short-term loans

The Group and the Company maintain short-term borrowing with financial institutions with annual floating interest rates. The amounts of short-term borrowing on 31 December 2022 and 2021 amounted to Euro 265.000,00 and Euro 0,14 respectively.

The maturity dates of the Group and Company's long-term loans are as follows:

	<u>Group</u>		<u>Company</u>	
	<u>31/12/2022</u>	<u>31/12/2021</u>	<u>31/12/2022</u>	<u>31/12/2021</u>
Between 1 and 2 years	1.419.294,25	628.251,15	1.419.294,25	628.251,15
Between 2 and 5 years	4.012.217,36	1.340.899,36	4.012.217,36	1.340.899,36
Up to 5 years	-	-	-	-
	<u>5.431.511,61</u>	<u>1.969.150,51</u>	<u>5.431.511,61</u>	<u>1.969.150,51</u>



29. Government grants

The movement of Group's and the Company's government grants is analysed as follows:

	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Received grants	476.225,76	-	476.225,76	-
Depreciation (Note 12)	(92.737,37)	-	(92.737,37)	-
Total	383.488,39	-	383.488,39	-

The government grants of the Group and the Company are distributed as follows in the statements of financial position:

	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Short term liabilities	156.816,93	-	156.816,93	-
Long term liabilities	226.671,46	-	226.671,46	-
Total	383.488,39	-	383.488,39	-

During the current financial year the Group and the Company received bank loans of Euro 3.500.000,00 and Euro 1.500.000,00, which had a financial advantage in terms of interest rate.

According to IAS 20 paragraph 10A regarding the granting of low-interest loans by the state, the following is stated: "The benefit of a state loan with an interest rate lower than that of the market is considered a state grant.

In accordance with 957/2020 decision of the Accounting Standardization Council "SLOT", the company values the liability from the loans at the amount resulting from the discounting of future payments with the interest rate that would be borrowed in the market for a similar amount which, according to the contracts concluded with the Infrastructure Fund (TAMYPOD) and the financial institution, this interest amounts to 4,10%.

The difference between the nominal amount of the loan and the effect of the discount is the part of the loans that is initially counted as a government grant and is recorded as deferred income. At each reporting date, an expense will be recorded for the liability, while the amortization of the deferred income will be recorded in revenue.

30. Employee benefit liabilities

Retirement benefit plans Company's employees are mainly covered by the main state-owned private insurance fund that provides retirement and medical benefits. Each employee is required to contribute part of his monthly salary to the fund, while part of the total contribution is covered by the Company. At retirement, the fund is responsible for the payment of pension benefits to retirees. Consequently, the Company has no legal or constructive obligation to pay future benefits under this plan.

Termination benefits: Under Greek labour law, employees are entitled to compensation in the case of contract termination, either due to retirement or dismissal, calculated on the basis of the employee's remuneration, past service and termination of employment (dismissal or retirement) Employees who resign or are dismissed for a specific justified reason are not entitled to compensation. The compensation payable in the event of retirement is equal to 40% of the amount payable for dismissal without cause. In Greece according to local practice, these programs are not funded.

The Group and the Company recognise accrued benefits in the comprehensive income statement in each period with a corresponding increase in pension liability. Benefits paid to retirees in each period are debited against this liability.

An international firm of independent actuaries evaluated the Company's liabilities arising from retirement benefits plans at 31 December 2015. The actuarial method was updated for the financial years ended 31 December 2017 and 2016.



For the financial years ended 31 December 2022 and 31 December 2021, the Company's employee benefits liabilities were measured in accordance with Law 2112/1920, as amended by Law 4487/2017, and not on the basis of an acceptable actuarial method.

	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Liabilities in the statement of financial position for:				
Employee benefits liabilities	<u>112.060,00</u>	<u>98.619,37</u>	<u>112.060,00</u>	<u>98.619,37</u>

The amounts recognized in the statement of comprehensive are determined as follow:

	Group		Company	
	1/1/2022- 31/12/2022	1/1/2021- 31/12/2021	1/1/2022- 31/12/2022	1/1/2021- 31/12/2021
Current service cost	31.751,75	(12.955,32)	31.751,75	(12.955,32)
Financial cost	-	-	-	-
Total cost included in employee benefits (Note 14)	<u>31.751,75</u>	<u>(12.955,32)</u>	<u>31.751,75</u>	<u>(12.955,32)</u>

Changes in the present value of the defined benefit liabilities:

	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Present value of the defined benefit liabilities	98.619,37	116.785,70	98.619,37	116.785,70
Current service cost	31.751,75	-	31.751,75	-
Financial cost	(18.311,12)	(5.211,01)	(18.311,12)	(5.211,01)
Benefits paid	-	(12.955,32)	-	(12.955,32)
Crop effect/ settlement/termination benefits	<u>112.060,00</u>	<u>98.619,37</u>	<u>112.060,00</u>	<u>98.619,37</u>

The IFRS Interpretations Committee issued in May 2021 the final decision on the agenda entitled "Distribution of benefits in periods of service in accordance with International Accounting Standard (IAS) 19", which includes explanatory material on how to recognize benefits in periods service on a specific program of defined benefits based to that defined in article 8 of L.3198 / 1955 regarding the provision of compensation due to retirement (the "Program of Fixed Benefits of Labour Law").

Based on the above decision, the way in which the basic principles of IAS 19 were applied in Greece in this regard in the past, and consequently, according to what is defined in the "IASB Due Process Handbook (par. 8.6)", is differentiated, entities that prepare their financial statements in accordance with IFRS are required to amend their accounting policies in this regard.

Until the issuance of the agenda decision, the Group and the Company applied IAS 19 by recognized the benefits defined by article 8 of L.3198/1955, L.2112/1920, and its amendment by L.4093/2012 in the period from the recruitment to the completion of 16 years of work following the scale of Law 4093/2012.

The application of this final Decision in the attached financial statements, has as a result the recognition of benefits in the last 16 years until the date of retirement of employees following the scale of Law 4093/2012.



31. Trade and other payables

Group's and Company's trade and other payables are analysed as follows:

	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Trade payables	10.250.396,48	6.745.888,24	9.222.365,42	6.516.528,51
Liabilities from construction contracts	541.678,63	140.228,54	541.678,63	140.228,54
Advance from customers	5.547.501,59	5.451.784,10	5.547.501,59	5.451.784,10
Liabilities to related parties	44.533,02	40.613,49	44.533,02	35.756,16
Liabilities to joint operations	134.231,35	134.231,34	134.231,35	134.231,34
Accrued expenses	666.204,59	443.972,60	539.098,75	432.998,57
Insurance organisations and other taxes and contributions	1.513.266,90	420.855,14	425.096,24	230.936,13
Post-dated cheques	1.171.152,94	1.392.732,85	1.171.152,94	1.392.732,85
Other liabilities	213.116,00	163.702,20	204.378,67	153.214,41
Total	20.082.081,5	14.934.008,50	17.830.036,61	14.488.410,61
Short term liabilities	20.082.081,5	14.934.008,50	17.830.036,61	14.488.410,61
Total	20.082.081,5	14.934.008,50	17.830.036,61	14.488.410,61

32. Leases

The recognised rights of use of assets presented in the consolidated and separate statement of financial position as at 31 December 2022 and 31 December 2021 are analysed as follows:

Group

	Rights of use of buildings	Rights of use of transportation means	Total
Cost			
Balance at 1 January 2021	471.079,37	-	471.079,37
Additions	173.671,78	-	173.671,78
Write offs	(84.709,75)	-	(84.709,75)
Exchange differences	29.965,35	-	29.965,35
Balance at 31 December 2021	590.006,75	-	590.006,75
Balance at 1 January 2022	590.006,75	-	590.006,75
Additions	314.806,83	40.353,25	355.160,08
Write offs	(241.089,12)	-	(241.089,12)
Exchange differences	(27.764,55)	-	(27.764,55)
Balance at 31 December 2022	635.959,91	40.353,25	676.313,16
Accumulated Depreciation			
Balance at 1 January 2021	93.387,87	-	93.387,87
Depreciation	232.889,81	-	232.889,81
Write offs	(84.709,75)	-	(84.709,75)
Exchange differences	10.671,16	-	10.671,16
Balance at 31 December 2021	252.239,09	-	252.239,09
Balance at 1 January 2022	252.239,09	-	252.239,09
Depreciation	274.481,58	-	274.481,58
Write offs	(229.264,03)	-	(229.264,03)
Exchange differences	(21.277,71)	-	(21.277,71)
Balance at 31 December 2022	276.178,93	-	276.178,93
Net book value 31.12.2021	337.767,66	-	337.767,66
Net book value 31.12.2022	359.780,98	40.353,25	400.134,23



Company

	Rights of use of buildings	Rights of use of transportation means	Total
Cost			
Balance at 1 January 2021	42.495,67	-	42.495,67
Additions	27.617,20	-	27.617,20
Write offs	(7.977,85)	-	(7.977,85)
Balance at 31 December 2021	62.135,02	-	62.135,02
Balance at 1 January 2022	62.135,02	-	62.135,02
Additions	-	40.353,25	40.353,25
Write offs	(24.288,27)	-	(24.288,27)
Balance at 31 December 2022	37.846,75	40.353,25	78.200,00
Accumulated depreciation			
Balance at 1 January 2021	7.721,17	-	7.721,17
Additions	29.312,17	-	29.312,17
Write offs	(7.977,85)	-	(7.977,85)
Balance at 31 December 2021	29.055,49	-	29.055,49
Balance at 1 January 2022	29.055,49	-	29.055,49
Additions	26.879,98	-	26.879,98
Write offs	(24.488,27)	-	(24.488,27)
Balance at 31 December 2022	31.447,20	-	31.447,20
Net book value 31.12.2021	33.079,53	-	33.079,53
Net book value 31.12.2022	6.199,35	40.353,25	46.552,80

The lease liabilities presented in the consolidated and separate statement of financial position at 31 December 2022 and 31 December 2021 are analysed as follows:

	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Balance at 1 January	335.031,16	370.821,28	34.785,50	34.948,26
Additions	355.160,08	173.671,78	40.353,25	27.617,20
Interest expenses on lease liabilities (Note 13)	12.633,48	13.632,62	684,83	1.520,04
Cash outflows for leases	(276.703,25)	(246.856,36)	(28.741,21)	(29.300,00)
Write offs	(12.048,62)	-	-	-
Exchange Differences	(16.252,39)	23.761,84	-	-
Balance at 31 December	397.820,46	335.031,16	47.082,37	34.785,50

	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Short term liabilities	251.637,49	188.096,45	16.171,35	27.685,17
Long term liabilities	146.182,97	146.934,71	30.911,02	7.100,33
Total	397.820,46	335.031,16	47.082,37	34.785,50

Maturity of lease liabilities of the Company are the following:

	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Until 1 year	251.637,49	188.096,45	16.171,35	27.685,17
From 2 to 5 years	146.182,97	146.934,71	30.911,02	7.100,33
Total	397.820,46	335.031,16	47.082,37	34.785,50



The amounts recognized in the statement of comprehensive income are as follows:

	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Depreciation of right of use	274.481,58	232.889,81	26.879,98	29.312,17
Interest expenses on liabilities from leases (Note 13)	12.633,48	13.632,62	684,83	1.520,04
Total	287.115,06	246.522,43	27.564,81	30.832,21

Most important leases of the Group and the Company and their accounting treatment

The Group and the Company have concluded lease agreements for their headquarters. These leases concern a predetermined period of 1 to 3 years and may have options to extend or terminate the contract. The lease term of each contract is negotiated separately and may have different terms and conditions than the other contracts.

33. Commitments

Operating lease obligations - As a lessee:

From 1 January 2019, leases are recognized in the statement of financial position as a right to use an asset and a lease liability on the date that the leased asset becomes available for use. The Group and the Company have chosen to use the standard recognition exceptions in short-term leases, ie leases of less than 12 months that do not include a right of redemption, as well as in leases in which the underlying asset has a low value. For the above leases, the Company recognizes the leases in the statement of comprehensive income as expenses with the fixed method throughout the term of the lease, [note 3k](#).

The following table lists the rents to which the exemptions of the standard apply.

Future minimum rentals payable under non-cancellable operating leases as at 31 December 2022 and 2021 for the Group and the Company, are as follows:

	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Up to 1 year	13.220,00	39.980,00	13.220,00	39.980,00
From 2-5 years	-	4.200	-	4.200
More than 5 years	-	-	-	-
Total	13.220,00	44.180,00	13.220,00	44.180,00

34. Contingent liabilities - assets

Group's and Company's contingent liabilities are analysed as follows:

Letters of guarantees for:	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Advances from customers	6.954.541,96	3.663.038,70	6.954.541,96	3.663.038,70
Counter guarantees	126.366,44	7.866,44	126.366,44	7.866,44
Good contract performance	9.836.462,12	5.864.641,97	9.836.462,12	5.864.641,97
Tenders' participations	1.342.635,00	1.218.264,00	1.342.635,00	1.218.264,00
Total	18.260.005,52	10.753.811,11	18.260.005,52	10.753.811,11

There are lawsuits against the Group and the Company. Disputes or under arbitration cases, as well as pending decisions of judicial or other arbitration bodies are not expected to have a significant impact on the financial situation or operation of the Group or the Company, therefore no relevant provisions have been conducted.



35. Related party transactions

The cumulative amounts of sales and purchases since the beginning of the year as well as the balances of receivables and liabilities at the end of the year, which have resulted from transactions with related parties in accordance with IAS 24, are as follows:

Related party transactions

	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Sales to subsidiaries	-	-	-	50.869,24
Purchases from subsidiaries	-	-	118.117,26	-

Balances at year end, arising from commercial and non-commercial transactions with related parties are as follows:

	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Liabilities to subsidiaries	-	-	118.117,26	-

The remuneration of the members of the Board of Directors and the key executives' employees, as well as the balances of receivables and liabilities at the end of the for the years 2022 and 2021 are analysed as follows:

	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Salaries and remuneration for management and executives	306.300,92	273.867,23	225.650,00	199.200,00
Receivables from executives and management	3.750,75	3.750,75	3.750,75	3.750,75
Payables to executives and management	44.533,02	40.613,49	44.533,02	35.756,16

36. Financial risk objectives and policies

Financial risk factors

The main market risks for the Group and the Company relate to foreign exchange and interest rate risk, credit risk, liquidity risk and the uncertainty of the effects of the unforeseen events (Covid - 19) and which may have a prolonged and unforeseen duration. Total risk management seeks methods to minimize potential adverse effects on the Company's financial performance.

Risk management is monitored by the Management of the Group and the Company, which manages the financial risks to which the Group and the Company are exposed. The Management does not execute speculative transactions or transactions that are not related to the commercial, investment or borrowing activities of the Group and the Company.

Market risk

Market risk is related to the geographical sectors in which the Group and the Company operate. For example, the Group and the Company are exposed to risk from the change in the conditions prevailing in the construction industry in Greece and abroad, from the change in the prices of raw materials, from the change in the value of real estate and leases, as well as from risks related to the execution of projects in syndicated schemes. The services of the Group and the Company closely monitor the trends in the individual markets where business activity develops and plan actions for the immediate and effective adaptation to the new data of the individual markets.



Foreign exchange risk

In addition to the Greek market, the Group is also active in international markets and is therefore exposed to exchange risk arising from changes in exchange rates. This risk mainly arises from future commercial transactions, receivables and payables in foreign currency.

The Group's and Company's main trading volume currency outside the Euro is the British Pound "GBP". Exchange risk is managed by maximizing the physical hedge through liabilities - receivables and inflows - outflows in GBP.

The policy of the Group and the Company is not to hold foreign exchange reserves higher than those necessary for use in commercial transactions.

Credit risk

The credit risk arises from the cash balances, the deposits in the Banks, as well as the credit reports of the customers including the important receivables and transactions.

The Group and the Company have developed policies to ensure that transactions are carried out with customers with sufficient creditworthiness. Due to the prevailing conditions in the market, there is a check on the conclusion of new contracts and on the procedures for monitoring the progress of work, invoicing and collections. The Group and the Company closely monitor the balances of its debtors and in receivables where credit risk is identified, an assessment is made in accordance with the established policies and procedures and the appropriate provision for impairment is formed. In Government projects, certifications are closely monitored and requests for additional work are expedited, in order to limit the risk of failure to collect claims.

Liquidity risk

The Group and the Company manage liquidity risk by ensuring that there is always secured bank credit for use. The existing available unused approved bank credits to the Group and the Company are sufficient to mitigate any possible cash shortage.

The following tables summarize for the Group the maturity dates of the financial liabilities at 31 December 2022 and 2021, respectively, arising from the relevant contracts, in not discounted amounts:

Group

	Less than 6 months	From 6 to 12 months	From 1 to 5 years	More than 5 years
31 December 2022				
Loans and borrowings	837.305,99	581.988,26	4.012.217,36	5.431.511,61
Lease liabilities	131.787,08	131.787,08	155.216,26	418.790,42
Trade and other liabilities	20.082.081,50	-	-	20.082.081,50
Total	21.051.174,57	713.775,34	4.167.433,62	25.932.383,53
31 December 2021				
Loans and borrowings	346.928,31	281.322,84	1.340.899,36	1.969.150,51
Lease liabilities	111.258,17	78.611,56	159.702,29	349.572,02
Trade and other liabilities	14.934.008,50	-	-	14.934.008,50
Total	15.392.194,98	359.934,4	1.500.601,65	17.252.731,03

Company

	Less than 6 months	From 6 to 12 months	From 1 to 5 years	More than 5 years
31 December 2022				
Loans and borrowings	837.305,99	581.988,26	4.012.217,36	5.431.511,61
Lease liabilities	9.892,88	9.892,88	37.555,75	57.341,51
Trade and other liabilities	17.830.036,61	-	-	17.830.036,61
Total	18.677.235,48	591.881,14	4.049.773,11	23.318.889,73
31 December 2021				
Loans and borrowings	346.928,31	281.322,84	1.340.899,36	1.969.150,51
Lease liabilities	14.350,00	14.020,00	7.150,00	35.520,00
Trade and other liabilities	14.488.410,61	-	-	14.488.410,61
Total	14.849.688,92	295.342,84	1.348.049,36	16.493.081,12



Cash flow risk and risk relating to change of fair value due to change in interest rates

The operating income and cash flows of the Group and the Company are affected by changes in interest rates. Interest rate risk substantially affects floating rate lending. The policy of the Group and the Company is to monitor interest rate trends and to decide on the combination of fixed - floating interest rates according to market conditions and its financing needs. During the current period, the Group and the Company have entered into approximately 70% of borrowings with a fixed interest rate because it was estimated that the specific risk is limited as Euro interest rates are expected to increase in the medium-term future due to inflation.

Determination of fair values

The fair value of financial instruments traded in active markets (stock exchange) (i.e. derivatives, stocks, bonds) is based on quoted market rates at the statement of financial position date. The quoted market price used for financial assets held by the Group is the current bid price the appropriate quoted market price for financial liabilities is the current ask price.

In assessing the fair value of non-traded financial instruments, the Group uses a variety of valuation methods and makes assumptions that are based on market conditions existing at each statement of financial position date.

The nominal values less any allowances of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities is estimated by discounting the future contractual cash flows at the prevailing market interest rate available to the Group for similar financial instruments.

37. Changes in the liabilities arising from financing activities

Group

	1 January 2022	Cash Flows	Exchange differences	1 January 2022	Cash Flows	31 December 2022
Long term loans and borrowings	1.340.899,36	3.732.874,88	-	-	(1.061.556,88)	4.012.217,36
Long term lease liabilities	146.934,71	-	-	71.745,81	(72.497,55)	146.182,97
Long-term liabilities payable in the next financial year	628.251,01	(628.251,01)	-	-	1.154.294,25	1.154.294,25
Floating rate short term loans and borrowing	0,14	264.999,86	-	-	-	265.000,00
Short term lease liabilities	188.096,45	(264.069,77)	(16.252,39)	283.414,27	60.448,93	251.637,49
Dividends payable	-	(1.732.608,00)	-	-	1.732.608,00	-
Total liabilities from financing activities	2.304.181,67	1.372.945,96	(16.252,39)	355.160,08	1.813.296,75	5.829.332,07

	1 January 2021	Cash Flows	Exchange differences	New leases	Other	31 December 2021
Long term loans and borrowings	1.015.335,00	1.000.000,00	-	-	(674.435,64)	1.340.899,36
Long term lease liabilities	222.060,36	-	-	33.374,85	(108.500,50)	146.934,71
Long-term liabilities payable in the next financial year	528.029,17	(579.702,05)	-	-	679.923,89	628.251,01
Floating rate short term loans and borrowing	200.001,08	(200.000,00)	-	-	(0,94)	0,14
Short term lease liabilities	148.760,92	(233.223,74)	23.761,84	140.296,93	108.500,50	188.096,45
Dividends payable	645.696,00	(645.696,00)	-	-	-	-
Total liabilities from financing activities	2.759.882,53	(658.621,79)	23.761,84	173.671,78	5.487,31	2.304.181,67



Company

	1 January 2022	Cash Flows	1 January 2022	Cash Flows	31 December 2022
Long term loans and borrowings	1.340.899,36	3.732.874,88	-	(1.061.556,88)	4.012.217,36
Long term lease liabilities	7.100,33	-	30.911,02	(7.100,33)	30.911,02
Long-term liabilities payable in the next financial year	628.251,01	(628.251,01)	-	1.154.294,25	1.154.294,25
Floating rate short term loans and borrowing	0,14	264.999,86	-	-	265.000,00
Short term lease liabilities	27.685,17	(28.056,38)	9.442,23	7.100,33	16.171,35
Dividends payable	-	(1.732.608,00)	-	1.732.608,00	-
Total liabilities from financing activities	2.003.936,01	1.608.959,35	40.353,25	1.825.345,37	5.478.593,98

	1 January 2021	Cash Flows	1 January 2022	Cash Flows	31 December 2021
Long term loans and borrowings	1.015.335,00	1.000.000,00	-	(674.435,64)	1.340.899,36
Long term lease liabilities	16.293,49	-	15.949,71	(25.142,87)	7.100,33
Long-term liabilities payable in the next financial year	528.029,17	(579.702,05)	-	679.923,89	628.251,01
Floating rate short term loans and borrowing	200.001,08	(200.000,00)	-	(0,94)	0,14
Short term lease liabilities	18.654,77	(27.779,96)	11.667,49	25.142,87	27.685,17
Dividends payable	645.696,00	(645.696,00)	-	-	-
Total liabilities from financing activities	2.424.009,51	(453.178,01)	27.617,20	5.487,31	2.003.936,01

The "Other" column includes the effect of the reclassification of the non-current part of interest-bearing loans, including liabilities arising from leases to the current part due to the effect of time, the effect of accrued but unpaid interest on interest-bearing loans and dividends which were approved by the Ordinary General Meeting of Shareholders ([Note 27](#)).

38. Financial instruments

The carrying amount presented in the accompanying consolidated and separate financial statements of cash and short-term deposits, trade and other receivables, trade payables and accrued expenses and short-term liabilities approximate their fair value due to their relatively short maturity of these financial instruments.

The fair value of floating rate interest bearing loans and borrowings approximates the carrying amount presented in the accompanying consolidated and separate statement of financial position.

The Group and the Company used the level 1 for determining and disclosing the fair value of financial assets at fair value through profit or loss.

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.



The comparison of the fair value with the book value as presented in the consolidated and separate financial statements, for each category of financial assets and financial liabilities for the years ended 31 December 2022 and 2021 is as follows:

Group	Book value		Fair value	
	2022	2021	2022	2021
Financial assets				
Cash and short-term deposits	9.495.754,26	4.166.571,49	9.495.754,26	4.166.571,49
Financial liabilities				
Long and short term loans and borrowings	5.431.511,61	1.969.150,51	5.431.511,61	1.969.150,51
Lease liabilities	397.820,46	335.031,16	397.820,46	335.031,16
Company				
	Book value		Fair value	
	2022	2021	2022	2021
Financial assets				
Cash and short-term deposits	4.215.534,09	1.665.029,69	4.215.534,09	1.665.029,69
Financial liabilities				
Long and short term loans and borrowings	5.431.511,61	1.969.150,51	5.431.511,61	1.969.150,51
Lease liabilities	47.082,37	34.785,50	47.082,37	34.785,50

39. Subsequent events

There have been no events subsequent to the financial statements as of 31 December 2022, which significantly affect the understanding of these financial statements and should either be disclosed or vary the amounts of the published financial statements.