



## **PETROS PETROPOULOS AEBE**

**Commercial and Industrial Societe Anonym  
96-102 Iera Odos street, 10447 Athens  
General Commercial Registry Number 285301000**

### **ANNUAL REPORT**

**1 January 2022 to 31 December 2022**

The annual report has been approved by the Board of Directors of the company PETROS PETROPOULOS ABEE on 28/03/2023 and has been published on the internet in the electronic address [www.petropoulos.com](http://www.petropoulos.com).

Head offices	96-104 Iera Odos street
General commercial registry number	285301000
Competent Authority	Ministry of Finance, Structures, Shipping, and Tourism, General Secretariat of Commerce and Consumer Protection, General Administration of the Market, Administration of Companies and General Commercial Registry Number, Department of listed Entities and Sports SA.
Members of the Board of Directors:	Michael Economakis, Michael Michaloutsos, Theodoros Anagnostopoulos, Arriani Velissaropoulou, George Drakos, Nikolaos Embeoglou, Ioannis Katsouridis, Cleopatra Kiriazi, Stefanos Manos, Ioannis Filiotis
Date of approval of the financial statements	28/03/2023
Statutory Auditor:	Michael Zacharioudakis
Audit Firm:	MPI HELLAS SA
Auditors Report:	Unqualified Opinion

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**DECLARATIONS OF THE MEMBERS OF THE BOARD OF DIRECTORS**

The members of the Board of Directors of Petros Petropoulos SA:

Michael Economakis, Chairman of the Board of Directors,  
Theodoros Anagnostopoulos, Chief Executive Officer and  
Ioannis D. Filiotis, Member,

in our above-mentioned capacity and Mr. Ioannis Filiotis, who was specially appointed by the Board of Directors of PETROS PETROPOULOS AEBE, we declare that to the best of our knowledge:

- (a) the financial statements that have been prepared in accordance with the applicable accounting standards give a true and fair view of the assets and liabilities, the net position and the results of the Group and the Company and of the companies included in the consolidation taken as a whole, and
- (b) the Company's Board of Directors report accurately reflects the Company's development, its performance and financial position as well as of the entities included in the consolidation taken as a whole, including a description of the main risks and uncertainties they face.

Athens, 28 March 2023

Michael Economakis  
Chairman of the Board

Theodoros Anagnostopoulos  
Chief Executive Officer

Ioannis D. Filiotis  
Board of Directors' Member

## **INDEPENDENT AUDITOR'S REPORT**

**To the Shareholders of PETROS PETROPOULOS AEBE**

**Report on the Audit of the Separate and Consolidated Financial Statements**

### **Opinion**

We have audited the separate and consolidated financial statements of PETROS PETROPOULOS AEBE (the "group"), which comprise the statement of financial position as at 31 December 2022, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying separate and consolidated financial statements present fairly in all material respects the financial position of the group as of 31 December 2022 and its financial performance and 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 group throughout the period of our appointment in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants, 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 other ethical responsibilities in accordance with these requirements and the aforementioned Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters and the related risks of material misstatement were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### **Key audit matter 1**

##### **Recoverability of inventories (Note 7.7)**

The financial statements of the group include inventory of 25.388.968,97 euro. Against this inventory, losses of 59.575,84 euros, from measurement at the lower between cost and net realizable value, have been recognized in the period. Our audit was focused on the procedures applied by the group for monitoring inventory, physical counting and verification of net realizable values by comparing their cost with their sale prices after the reporting date.

## **Key audit matter 2**

### **Recoverability of trade receivables (Notes 7.5 and 7.8)**

The financial statements of the group include trade receivables of 27.512.880,58 euro. Against these receivables the group has recognized accumulated impairment losses of 2.281.301,95 euro. Our audit was focused on the monitoring procedures established by the management, guarantees received, confirmation of balances by sending letters directly to debtors and verification of receipts after the reporting date.

### **Other information**

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

Our opinion on the 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 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 and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the group'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 to cease operations, or has no realistic alternative but to do so.

The Audit Committee (article 44 of law 4449/2017) is responsible for overseeing the financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs, as incorporated in Greek Law, will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group'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 ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group, in order to express an opinion on the financial statements. We are responsible for guiding, supervising and executing the audit of the group. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

## **Report on Other Legal and Regulatory Requirements**

### **1. Board of Directors' Report**

Taking into consideration that management is responsible for the preparation of the Board of Directors' Report and Corporate Governance Statement that is included therein, according to the provisions of paragraph 5 article 2 of Law 4336/2015 (part B), we report that:

- a) The Board of Directors' Report includes a Corporate Governance Statement that contains the information required by article 152 of the Law 4548/2018.
- b) In our opinion the Board of Directors' Report has been prepared in accordance with the legal requirements of articles 150, 153 and paragraph 1 (c and d) of article 152 of the Law 4548/2018 and the content of the Board of Directors' report is consistent with the financial statements for the year ended 31 December 2022.
- c) Based on the knowledge and understanding concerning the Company and its environment, gained during our audit, we have not identified information included in the Board of Directors' report that contains a material misstatement.

### **2. Additional Report to the Audit Committee**

Our opinion on the financial statements is consistent with our Additional Report to the Audit Committee of the Group, in accordance with Article 11 of the EU Regulation 537/2014.

### **3. Provision of Non-audit Services**

We have not provided any non-audit services (permitted or not) per Article 5 of the EU Regulation 537/2014.

### **4. Appointment of the Auditor**

We were first appointed as auditors of the group by the General Assembly on 14/5/2010. Since then our appointment has been continuously renewed for a total period of thirteen years based on yearly decisions taken by the General Assembly of the company.

### **5. Operational Regulation (Rules of Operation)**

The company has endorsed an Operational Regulation in accordance with the provisions of article 14 of the law 4706/2020.

### **6. Assurance Report on the European Single Electronic Reporting Format**

We have examined the digital file of PETROS PETROPOULOS AEBE (hereinafter the Company and the Group), which were prepared in accordance with the European Single Electronic Format (ESEF) defined by the



Delegated Regulation of the European Commission (EU) 2019/815, as amended by Regulation (EU) 2020/1989 (hereinafter the ESEF Regulation), which include the Company's separate and consolidated financial statements for the year ended 31 December 2022, in XHTML format, as well as the XBRL file (213800LOQ5NSWNWXNH64-2022-12-31-el.zip), with appropriate marking up on the aforementioned consolidated financial statements, included other explanatory information.

### **Regulatory framework**

The digital files of the European Single Electronic Format are prepared in accordance with the ESEF Regulation and 2020/C 379/01 Interpretative Communication of the European Commission of 10 November 2020, as provided for by Law 3556/2007 and the relevant announcements of the Hellenic Capital Market Commission and the Athens Stock Exchange (hereinafter referred to as the "ESEF Regulatory Framework"). In summary, this Framework provides, inter alia, the following requirements:

- All annual financial reports should be prepared in XHTML format.
- For the consolidated financial statements in accordance with International Financial Reporting Standards, the financial information contained in the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the Statement of Cash Flows, as well as the financial information that is included in other explanatory information, should be marked up with XBRL tags, (XRL tags and block tag), according to the ESEF Taxonomy, as in force. The technical specifications for ESEF, including the relevant taxonomy, are set out in the ESEF Regulatory Technical Standards.

The requirements set out in the current ESEF Regulatory Framework are appropriate criteria to express a conclusion that provides reasonable assurance.

### **Responsibilities of the Management and Those Charged with Governance**

Management is responsible for the preparation and submission of the Company's separate and consolidated financial statements for the year ended 31 December 2022, in accordance with the requirements set out by the ESEF Regulatory Framework, as well as for those internal controls that the management determines as necessary to enable the compilation of the digital files free from material misstatement, due to either fraud or error.

### **Auditor's responsibilities**

Our responsibility is to plan and carry out this assurance work, in accordance with no. 214/4/11-02-2022 Decision of the Board of Directors of the HAASOB (Hellenic Accounting And Auditing Standards Oversight Board) and the «Guidelines in relation to the work and the assurance report of the Certified Auditors on the European Single Electronic Reporting Format (ESEF), of issuers with securities listed on a regulated market in Greece», as issued by the Body of Certified Auditors on 14/02/2022 (hereinafter referred to as the «ESEF Guidelines»), so as to obtain reasonable assurance that the Company's separate and consolidated financial statements prepared by the management in accordance with the ESEF comply in all material respects with the applicable ESEF Regulatory Framework.

Our work was carried out in accordance with the Code of Ethics for Professional Auditors of the International Ethics Standards Board For Auditors (Code of Ethics for Auditors), as it has been incorporated into Greek Legislation and in addition we have fulfilled the ethical requirements of independence, in accordance with Law 4449/2017 and Regulation (EU) 537/2014.

Our assurance report covers restrictively the subjects included in the ESEF Guidelines and was carried out in accordance with the International Standard on Assurance Engagements 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information». Reasonable assurance is a high level of assurance, but it is not a guarantee that this work will always detect a material error in terms of non-compliance with the requirements of the ESEF Regulatory Framework.

### **Conclusion**

Based on the work performed and the evidence obtained, we conclude that the Company's separate and consolidated financial statements for the year ended 31 December 2022, in the form of an XHTML file, as well as the XBRL file (213800LOQ5NSWNWXNH64-2022-12-31-el.zip) with the appropriate marking up on the aforementioned consolidated financial statements, included other explanatory information, have been prepared, in all material respects, in accordance with the requirements of the ESEF Regulatory Framework.

Athens, 28 March 2023

MPI HELLAS SA (R.N. 155)  
Ethnikis Antistaseos 9-11 Chalandri Athens

Certified Auditor

Zacharioudakis Michael  
R.N. 13191

## **MANAGEMENT REPORT OF THE BOARD OF DIRECTORS TO THE GENERAL ASSEMBLY OF THE SHAREHOLDERS OF PETROS PETROPOULOS AEBE**

Ladies and Gentlemen Shareholders,

We submit to you the financial statements in accordance with the International Financial Reporting Standards as adopted by the European Union as well as this report for the year from 1 January to 31 December 2022. This Report has been prepared in accordance with the relevant provisions of Law 4548/2018, the provisions of article 4 of Law 3556/2007 as well as with the decisions of the Board of Directors of the Hellenic Capital Market Commission, which are delegated to this Law.

### **A. Performance and financial position / Annual activity review**

In 2022, a milestone year marking 100 years of our presence in the Greek market, all the problems of 2021 continued, with the main one being the serious shortages in the supply chain, while those of the war in Ukraine were added, with the consequences of the energy crisis and the consequent increase in inflation and our costs.

Despite this unfavourable economic environment, the Group, building on the strong foundations of the past, the diversification of activities in many market sectors, as well as its adaptability to the circumstances, managed to achieve excellent results.

The Group's sales in 2022 amounted to €156,1 million. compared to €155,7 in 2021, increasing our market share in most sectors.

EBITDA of the Group amounted to € 11,1 m. compared to 11,8 m. in 2021, recording an increase of 5,3%.

Profit before tax decreased amounted to € 8,6 m. compared to € 9,9 m. in 2021, while earnings after tax and minority interests decreased by 4,4% to € 6,5 m. compared to 6,8 m. in 2021.

Total bank lending decreased to € 10,0 m. from 13,2 m. of 2021, while net bank debt amounted to negative 0,6 m. from € 2,7 m. Cash and cash equivalents decreased to € 10,6 m. compared to 15,9 m. in 2021.

Equity increased to € 47,0 m. compared to € 42,3 m. in 2021.

The Group's solvency ratio (equity as % of total assets excluding cash and equivalents) at 31.12.2022 was 61,4% compared to 66,9% at 31.12.2021.

Investments in fixed assets amounted to approximately € 806.653, mainly related to IT and upgrading other equipment. For 2023 investments of € 3.698.000 have been budgeted, mainly in IT and establishment of the new IBU business unit.

The Board of Directors warmly thanks all employees and partners of the Group, including local representatives, suppliers and subcontractors, for their dedication, professionalism and excellent performance in 2022.

## **B. Estimated Development / Prospects.**

In 2023, as our company enters its second century, although the external environment remains unpredictable, all business units are forecasting strong growth, with sales reaching new all-time highs.

### **New Activities**

In line with our established strategy, we are always alert to find opportunities to expand our business into new markets, products and innovative applications. In the context of this continuous search for innovative solutions, the new business unit, "Innovation Business Unit", created last year, launches the ECO SHIFT project, focusing on electrification, energy storage and recycling solutions.

## **C. Financial risk**

The Group and the Company are exposed to small financial risks such as the risk of market prices, credit risk, cash flow risk from changes in interest rates and liquidity risk from customers' weakness to pay their liabilities when they due, which the company faces with success because of its structure and its prudent policy.

### **a) Currency risk**

Although the Group and the Company are active internationally, they are not exposed to foreign exchange risk because almost all transactions are carried out in euro.

### **b) Credit risk**

The Group and the Company do not have significant credit risk concentrations. Wholesale sales are subject to rigorous credit control. In the case of a long-term credit, usually over six months, and if there is a possibility, the ownership of the goods sold is withheld. Also, in the sale of agricultural machinery, where the market gives credit over six months, the company funds its customers through bank loans guaranteed by the company. This sales scheme attempts to extend to other company products. In this way, the company provides credit for a time up to three months at maximum. However, a dramatic deterioration in market conditions leading to a more general failure to recover customers' receivables could create a liquidity problem for the company, which could not be mitigated by the guarantees held.

### **c) Liquidity risk**

Liquidity risk is maintained at low levels, through the maintenance of increased cash, the availability of sufficient credit limits, and the assignment of non-recourse claims. Available cash amounts to approximately € 10,6 m. for the Group and € 10,2 m. for the Company. The available credit lines for bank financing at 31.12.2022 amount to approximately € 25,0 m. which are lines without guarantee. All receivables that were assigned without recourse in the current year amounted to € 2,4 m., and this practice, mutatis mutandis, is expected to apply for the next year. However, a dramatic deterioration of the market and of the banking system in general, could put an end to our potentiality.

### **d) Risk of interest rate fluctuations.**

The Group and the Company do not have significant interest-bearing short-term assets on a continuous basis, and their policy is to take short-term borrowings bearing floating rates. The risk of interest rate changes coming from long-term loans is not significant for the Group and the Company as they are all debenture loans with locked spreads.

#### **D. Other Risks and Uncertainties**

The Company has a leading position in its business and its activities, and therefore does not face any particular risks and uncertainties beyond what the country generally faces in the context of the current economic difficulties.

#### **E. Treasury shares**

On 31/12/2022 the Company held 527.321 own shares.

#### **F. Human resources**

Particular emphasis was given to the development of the Company's human resources in 2022 and this is expected to happen in the current year, since their contribution is decisive in the course of the Group, especially in the current difficult circumstances. The Company's employees are in close co-operation with the management as well as with each other. The company's infrastructure, its long history, its leading position in the industry as well as the current economic situation allow it to immediately replace its executives without significant impact on the course of its business activities. The number of employees employed by the Group and the Company on 31/12/2022 amounted to 178 persons, compared to 166 persons on 31/12/2021.

#### **G. Significant events after the end of the year**

PETROS PETROPOULOS SA will be the importer of KTM, Husqvarna and GasGas motorcycles for the Greek market from 15th March 2023, following an agreement signed with the respective companies, members of the PIERER Mobility AG Group, which is one of the leading manufacturers of motorcycles in Europe. This activity will be integrated into the Light Commercial and Passenger Vehicles Sector.

There are no events, beyond these mentioned above, after the balance sheet date that concern either the Group or the Company. The war that broke out in Ukraine in February 2022, the duration and impact of which cannot be estimated at present, is not expected to materially affect the company's activities.

#### **H. Alternative Performance Measures**

Management monitors the following performance measure indicators:

##### **(a) EBITDA**

EBITDA relates to earnings before interest, tax and depreciation and results from the income and cash flow statements. The Group EBITDA amounted to € 11,1 m. in 2022 compared to € 11,8 m. in 2021, recording a decrease of 5,9%.

##### **(b) The Group's capital adequacy or solvency ratio.**

This indicator refers to the rate of equity financing the assets and is computed as follows:

Equity divided by the total assets except cash and cash equivalents. The rate decreased in 2022 to a level of 61,4% compared to 66,9 % at the end of 2021.

**(c) Employed capital replacement rate T**

The rate is calculated as follows:

Sales / (Inventories + Trade receivables + Other tangible assets (note 7.1)).

The T rate was 3,0 in 2022 compared to 3,4 in 2021.

**(d) E.V.A. (Economic Value Added).**

The rate monitors the results of the parent company, taking into account the cost of the capital employed, and is calculated by a specific methodology as follows:

E.V.A. = Operating Profit - (WACC \* Total Employed Funds), where WACC: Weighted Average Capital Cost.

E.V.A. of the company for 2022 amounted to € 4.558.401 compared to € 4.867.783 for 2021, recording a decrease of 6,4%.

**I. Branches**

The company has a branch in Thessaloniki from 2018. Seven employees are employed in this branch.

**J. Information under paragraph 7 of article 4 of Law 3556/2007 and Explanatory Report to the General Meeting of Shareholders.**

**(a) Share Capital Structure of the Company**

The Company's share capital amounts to € 6.575.472,00 divided into 7.070.400,00 ordinary registered voting shares of nominal value of € 0.93 each. All shares of the company are listed on the Athens Stock Exchange in the Small and Medium Capitalization category.

The rights of the Company's shareholders stemming from its shares are proportional to the percentage of the capital, which corresponds to the paid value of the share. Each share provides all the rights provided by the law and its statutes, and in particular:

- The right to the dividend from the Company's annual profits or the product on its liquidation.

Net profit of the company is presented in the income statement and can be distributed in accordance with article 159 of law 4548/2018, as follows:

- (i) credit balances that have not been realized are deducted.
- (ii) 5% of the net profit, at minimum after the deduction of (i) above, is kept as legal reserve.
- (iii) After the deduction of (i) and (ii) above, the minimum dividend in accordance with article 161 of law 4548/2018 must be distributed.

The remaining profit for the year after the deduction of (ii) and (iii) is disposed in accordance with the decision of the general meeting of shareholders. In general, according to distribution of profits chapter 10 (articles 158-163) of law 4548/2018 apply.

- The right to receive the product on liquidation or, respectively, the amount corresponding to the share resulting from amortization of capital, if decided by the General Meeting of shareholders,
- The right of pre-emption to any increase in the share capital of the Company in cash,
- The right to obtain a copy of the financial statements and the reports of the statutory auditors and the Company's Board of Directors.
- The right to participate in the General Assembly, which is specialized in the following individual rights: legalization, presence, participation in debates, submission of proposals on items on the agenda, recording of opinions in the minutes and voting.
- The general Shareholders' Assembly of the Company retains all its rights during the liquidation. The liability of the Company's shareholders is limited to the nominal value of the shares they hold.

**(b) Restrictions on the transfer of the Company's shares**

The transfer of the Company's shares is done as stipulated by the Law and there are no restrictions on their transfer by its Articles of Association, taking into account in addition that the company's shares are intangible and listed on the Athens Stock Exchange.

**(c) Significant direct or indirect holdings within the meaning of articles 9-11 of L.3556 / 2007**

There are shareholders (natural persons) holding directly, more than 5% of the total number of shares of the Company:

	<u>31.12.2022</u>		<u>31.12.2021</u>	
	<u>Number of shares</u>	<u>Percentage</u>	<u>Number of shares</u>	<u>Percentage</u>
Petropoulos Ioannis (direct participation)	1.978.884	27,988%	1.949.066	27,567%
Petropoulos Konstantinos (indirect participation through the company ANABAK TRADING AND INVESTMENTS AEBE)	1.830.338	25,887%	1.830.338	25,887%
PETROS PETROPOYLOS AEBE (own shares)	527.321	7,458%	527.321	7,456%
DESPINA PANTOPOULOU NATSIS AND TRIFON NATSIS	425.923	6,024%	425.923	6,024%

**(d) Shares providing special control rights**

There are no shares that provide their holders with special control rights.

**(e) Restrictions on voting rights**

The Company's Articles of Association do not provide for any restrictions on the voting rights attached to its shares.

**(f) Shareholders' Agreements**

It is not known to the Company the existence of agreements between its shareholders, which impose restrictions on the transfer of its shares or on the exercise of the voting rights deriving from its shares.

**(g) Rules for the appointment and replacement of Board members and amendment of the statute**

The rules laid down in the Articles of Association of the Company for the appointment and replacement of the members of the Board of Directors and the amendment of its provisions do not differ from the provisions of the Law 4548/2018.

**(h) Competence of the Board of Directors for the issue of new shares or the purchase of own shares**

In accordance with the provisions of the law 4548/2018, the Board of Directors of the Company has the right, following a relevant decision of the General Meeting of shareholders, which is subject to the publicity requirements of article 9 par. 3 of the law 4548/2018, to increase the share capital of the Company through the issuance of new shares, by a decision taken by increased quorum and majority of its members. In this case, the share capital may be increased up to the amount of the capital paid at the date when the General Meeting of the shareholders gave such power to the Board of Directors. The abovementioned power of the Board of Directors may be renewed by the General Meeting of shareholders for a period not exceeding five years for each renewal.

**(i) Significant agreements that enter into force, are amended or expire in case of change of control following a public offer**

There are no agreements that enter into force, are amended or expire in case of a change in the Company's control following a public offer.

**(j) Agreements with members of the Board of Directors or Company's staff**

There are no agreements of the Company with members of its Board of Directors or its staff, which provide for the payment of compensation especially in case of resignation or dismissal without a valid reason or termination of their term or employment due to a public offer.

**K. Related Party Transactions**



The Company's transactions with its related parties in the course of the year 2022 have been carried out under the usual terms and did not differ in proportion to the corresponding transactions for the year 2021 and therefore did not materially affect the financial position and performance of the Group and the Company.

Party that sales	Party that buys	
	Kind	PETROS PETROPOULOS AEBE
AEGEM	Real estate rental	260.903,76

Receivables and Liabilities balances of PETROS PETROPOULOS AEBE on 31.12.2022

Company	Receivables	Liabilities	Totals
AEGEM	0.00	(1.698.361,61)	(1.698.361,61)

Key management personnel transactions	Group	Company
Key management personnel remuneration	1.781.308,73	1.781.308,73
Liabilities to key management personnel	1.899.600,00	1.899.600,00

There are no loans to related parties.

There are no doubtful receivables or provisions for doubtful debts among the Group's companies.

Other related party transactions.

Selling company	kind	Acquiring company
PETROPOULOI BROS OE	Sales of goods	PETROS PETROPOULOS AEBE
	Amount	5.034,71
DELPA AE	Sales of services	PETROS PETROPOULOS AEBE
	Amount	91.752,00
	Group	Company
Liabilities to other related parties	213.408,66	213.408,66

## L. Corporate Governance Statement

### 1. Corporate governance code

The Company is subject to the provisions of Law 4706/2020 "on corporate governance of sociétés anonymes" and has adopted and implemented by the decision of the Board of Directors of 16.7.2021, the Greek Corporate Governance Code (EKED), issued by the Greek Corporate Governance Board (ESED) in June 2021 is and available on the Company's website <https://petropoulos.com/kanonismoi-kai-politikes/>.

At its meeting of 3.2.2022, the Board of Directors decided to examine the issues for the development of an action plan until the end of 2022 in order for the company to gradually align with ESG criteria, although it is not an institutional obligation under article 151 of Law 4548/2017. According to the announcement of the Athens Stock Exchange on November 24, 2022, the company was included - after a thorough evaluation - in the "ATHEX ESG" Environmental, Social and Corporate Governance Index.

It is an index created in August 2021 to monitor the stock market performance of listed companies that adopt practices beneficial to the Environment, Society and Corporate Governance.

The company has prepared a sustainable development report with a reference date of 31.12.2021, which is available at <https://petropoulos.com/kanonismoi-kai-politikes/>.

## **2. Internal Control System and risk management.**

The Company's Internal Control System includes all the activities and actions aimed at its effective and safe operation. The Company's Management has incorporated in its Internal Regulation of Operation various policies and procedures, the implementation of which covers the management of potential risks and the process of preparing reliable financial and non-financial reports. The summary of the company's Rules of Operation is posted on the company's website: <https://petropoulos.com/kanonismoi-kai-politikes/>.

In particular, the Company's Internal Control System includes procedures that have been established to ensure the protection of its property, to identify and address the most important risks, to ensure that the financial data on the basis of which the financial statements are prepared are correct and that the laws and the applicable regulatory framework are complied with and applied, as well as the principles and policies decided by the management.

The adequacy of the Internal Control System is systematically monitored by the Audit Committee through the regular meetings held with the internal auditor in the context of monitoring the Company's annual internal audit program.

The Company's Board of Directors ensures compliance with the internal regulation, determines the main responsibilities and scope of each directorate, is responsible for the recruitment of executives, for the appointment of the Company's external auditors and the preparation of all financial and non-financial reports.

In order to ensure that the financial data on the basis of which the Company's financial statements are drawn up are correct, the Company applies specific procedures which provide, inter alia, that:

The recording of transactions and other events shall be carried out on the basis of a specific procedure which requires that all documents must be original or legally certified and must bear the appropriate approvals.

The Financial Services of the Company make periodic (usually monthly) agreements of the balances of payroll accounts, customers, suppliers, banks, VAT, withholding taxes, etc.

There are specific recorded procedures for closing the financial statements which include deadlines for submission, responsibilities and information on the required actions.

The Company has invested in the development and security of competent information systems that ensure authorized access, proper recording, maintenance and proper presentation of financial figures.

The monitoring of the budget figures and their deviations in relation to what was done is done on a quarterly basis.

Responsible for monitoring the proper functioning of the internal control system is the Internal Audit Unit. The head of the Internal Audit Unit is appointed by the Company's Board of Directors, following a proposal by the Audit Committee, is a full-time and exclusive employee, personally and functionally independent and objective in the performance of his duties and has the appropriate knowledge and relevant professional experience. It is administratively subordinate to the Chief Executive Officer and operationally to the Audit Committee. The head of the Internal Audit Unit submits to the Audit Committee an annual audit schedule before the beginning of each calendar year, based on the Company's risk assessment and is approved by the Audit Committee. The audit is extended to areas of control interest due to a high degree of risk, a large volume of transactions, risks due to omissions of legislative content, non-compliance with internal policies and procedures, risks that may lead to a distortion of the true picture of the financial statements as well as to significant discrepancies between budgeted and realized figures.

At the beginning of the year and at the meeting of 3.2.2022, the Company's Board of Directors approved the 2022 business plan, which was presented by the CEO and the Directors of the Business Units.

### **Operation of the Board of Directors and other Committees**

The Board of Directors of the Company was elected in accordance with the new regulatory framework introduced by Law 4706/2020 regarding independence, suitability, diversity and adequate representation by gender. The Company is managed by a ten-member Board of Directors elected by decision of the Annual General Meeting of Shareholders on 22.06.21. The Board of Directors was formed as a body at its meeting on 23.06.21. The term of office of the new Board of Directors is five years extended until the expiry of the deadline within which the next ordinary General Meeting must be convened and until the relevant decision is taken and may not exceed six years. The Board of Directors meets at four main meetings a year. In January, the Company's budget and strategy for the following year are approved. The meetings in May, July and November review the progress of the work and examine the long-term issues with all Members present.

### **The composition of this Board of Directors is as follows:**

Michael Economakis	Chairman, Executive Member
Michael Michaloutsos	Vice President, Non - Executive Member, Independent & Chairman of Remuneration and Nominations Committee
Theodoros Anagnostopoulos	CEO, Εκτελεστικό Μέλος
Ariadni Velissaropoulou	Non - Executive Member, Independent
George Drakos	Non - Executive Member
Nikolaos Embeoglou	Non - Executive Member
Ioannis Katsouridis	Non - Executive Member
Cleopatra Kiriazi	Non - Executive Member
Stefanos Manos	Non - Executive Member, Independent
Ioannis Filiotis	Non - Executive Member

### **Meetings of the Board of Directors**

During the year 2022, the Board of Directors of the Company held a total of twenty-seven (27) meetings.

Below is the table with the presences of the members of the Board of Directors.

**Meetings of the Board of Directors in the year 2021**

<u>Members</u>	<u>Responsibility</u>	<u>Participation</u>	<u>Participation percentage</u>
Michael Economakis	Chairman, Executive Member	26	96%
Michael Michaloutsos	Vice President, Non - Executive Member, Independent	27	100%
Theodoros Anagnostopoulos	CEO, Executive Member	27	100%
Arianni Velissaropoulou	Non - Executive Member, Independent	24	89%
Stefanos Manos	Non - Executive Member, Independent	15	56%
George Drakos	Non - Executive Member	17	63%
Nikolaos Embeoglou	Non - Executive Member	25	93%
Ioannis Katsouridis	Non - Executive Member	16	59%
Cleopatra Kiriazi	Non - Executive Member	25	93%
Ioannis Filiotis	Non - Executive Member	18	67%
Total meetings		27	

The members of the Board of Directors who on 31.12.2022 held shares of the company are:

- Michael Michaloutsos, 1.452 shares, percentage 0,020%
- Ioannis Filiotis, 1.080 shares, 0,015%
- Apart from the above two members, no other member of the Board of Directors, no other key executive officer, nor the Head of the Internal Audit Unit holds shares of the company. There are no senior executives who are also members of the Board of Directors, except for the Chairman of the board of directors and the CEO.

The suitability policy and summary CVs of the members of the Board of Directors and the key executives, are posted on the company's website at: <https://petropoulos.cm/kanonsmoi-kai-politikes/>. The brief CV's of the members of the Board of Directors and the key management personnel are available on the Company's website at: <https://petropoulos.com/dioikitiko-symvoylio/>.

**CV of the Head of the Internal Audit Unit**

Ms. Gemelou meets the requirements of article 15 of Law 4706/2020, i. e. she is a full-time and exclusive employee of the Company, personally and functionally independent and objective in the performance of her duties. He is not a member of the Board of Directors of the Company or a voting member of any standing committee of the Company and she does not have close ties with anyone who holds one of the above positions in the Company or a Group company and has the appropriate knowledge and relevant professional experience to assume the above position.

In particular, Ms. Gemelou holds a Master's degree from the National and Kapodistrian University of Athens with specialization in Applied Accounting and Auditing, as well as a degree in Political Sciences from the

Panteion University of Social and Political Sciences. In addition, she is a member of the Greek Institute of Certified Public Accountants (SOEL) and the Economic Chamber of Greece.

She has more than three years of work experience in Audit - Consulting Companies. In particular, she has served as a Financial Advisor and Audit Assistant at Ernst & Young Greece, participating in the provision of financial advisory services (IFRS Accounting issues), in the assessment of internal processes in the systemic banks of Greece and in conducting statutory audits of financial statements prepared in accordance with International Accounting Standards. Subsequently, she worked at Baker Tilly Greece in the Internal Audit department, participating in risk assessment and the preparation of policies and regulations in accordance with the relevant legislative and regulatory framework. In addition, she participated in internal audits of several companies.

The Board of Directors of the Company consists of executive and non-executive members, which are appointed as such by decision of the Board of Directors. Executives are members dealing with daily issues related to the company's management, while non-executive members have been responsible for the role of systematic oversight and monitoring of management decisions. Independent non-executive members are appointed as non-executive members of the Company's Board of Directors, which, when appointed or elected and, during their term of office, meet the independence criteria laid down in Article 9 No. 4706/2020.

Most members of the Board of Directors are non-executive (including independent non-executive members). The independent members of the Board of Directors are appointed by the General Meeting of Shareholders.

The non-executive members of the Board of Directors are considered independent if, both at the time of their appointment and during their term of office, they do not directly or indirectly hold more than 0,5% of the voting rights of the Company's share capital and are free from financial, business, family or other types of dependencies that may influence their decisions and their independent and objective judgment. The company has a procedure for monitoring and disclosing any dependency relationships of the independent non-executive members of the Board of Directors pursuant to article 9 of Law 4706/2020, according to which the fulfilment of the requirements for the designation of the members of the Board of Directors as independent is examined at regular intervals and at least annually per financial year before the publication of the annual financial report, which includes the relevant findings. In the event that dependency relationships are established between independent non-executive directors and persons with close links to such persons, a procedure is followed to disclose the existence of such relationships. For the financial year 2022 the independence conditions have been met.

The number of members of the Board of Directors is defined by the Statute or by the General Meeting in conjunction with the requirements of the Corporate Governance Code, but within the limits set out in the Articles of Association. In any case, the number of members may not exceed twelve (12) members or less than five (5) members.

The Board of Directors, after his election, meets and is constituted by a secret ballot and by an absolute majority of present or represented members elects the President, the Vice-President and the Managing Director and appoints the executive and non-executive members.

The Chairman of the Board of Directors is a non-executive member of this. If elected as Chairman of the Board of Directors executive member, then the Vice-President of the Board of Directors must be mandatorily a non-executive member. If the Chairman of the Board is an executive member, as regards its implementing powers, when he is absent or prevented, is replaced in accordance with the relevant decision of the Board of Directors under which was constituted.

If the position of a member becomes vacant because of resignation, death, loss of membership or replacement, it is imposed on the remaining members, if there are at least three of them, to temporarily elect a replacement for the remainder of the term of office of the member who is being replaced. The decision of this election is submitted to the publicity formalities and announced by the Board of Directors at the next ordinary or extraordinary General Assembly, which may replace the elected, even if no relevant item has been listed on the agenda. The acts of the member who was elected in this way are considered valid, even if the election is not approved by the General Assembly.

The term of office of the Board of Directors shall not exceed five (5) years. Exceptionally, the term of office of the Board of Directors is automatically extended until the next Annual General Meeting of the Shareholders of the Company after the expiration of its term of office, which cannot exceed six years.

The members of the Board of Directors may be freely re-elected and revoked in accordance with the law. The competent body for the election of the Board of Directors is the General Meeting of Shareholders, except in cases of appointment of a member of the Board of Directors or election of a member of the Board of Directors to replace another, whose position was vacant for any reason, by the other members of the Board of Directors, in any case in accordance with the Articles of Association.

The General Assembly elects the members of the Board of Directors for a certain term of office.

The Board of Directors of the Company may, exclusively in writing, delegate the exercise of all or part of the powers (except those that require collective action) as well as the representation of the Company to one or more persons, members of the Board of Directors or third parties, while determining the extent of their competence.

### **Powers and responsibilities of the Board of Directors**

The powers of the Board of Directors are provided for in the corporate legislation and the Company's Articles of Association.

The responsibilities of the Board are described below:

- (a) The action of any act concerning the management of the Company, the management and disposal of the company's assets and the representation of the Company judicially and extrajudicially.
- (b) Taking decisions on all matters relating to the Company and the general achievement of the corporate purpose, except for those that according to the law or the Articles of Association of the Company belong to the exclusive competence of the General Assembly.

- (c) The assignment of the exercise of all its rights and powers (except those that require collective action) related to the management, management and representation of the Company to one or more persons, regardless of whether these persons are members or not, and the determination of the extent of these rights and powers.
- (d) Approves the company's periodic and annual financial statements.

In addition, according to article 4 of Law 4706/2020, the Board of Directors is charged with the following responsibilities:

- (a) Defines and supervises the implementation of the corporate governance system of provisions 1 to 24 of Law 4706/2020, monitors and evaluates periodically every three (3) years its implementation and effectiveness, taking the appropriate actions to address deficiencies.
- (b) Ensures the adequate and effective operation of the Company's internal control system, which aims at the following, in particular, objectives:
  - (ba) the consistent implementation of the operational strategy, with the efficient use of available resources.
  - (bb) the identification and management of the material risks associated with its business and operation.
  - (bc) the effective operation of the Internal Audit Unit.
  - (bd) ensuring the completeness and reliability of the data and information required for the accurate and timely determination of the Company's financial position and the preparation of reliable financial statements, as well as its non-financial information, in accordance with article 151 of Law 4548/2018.
  - (be) compliance with the regulatory and legislative framework, as well as the internal regulations governing the operation of the Company.
- (c) Ensures that the functions constituting the internal control system are independent of the business areas they control, and that they have the appropriate financial and human resources, as well as the authority to operate effectively, as required by their role. The reporting lines and the allocation of responsibilities are clear, enforceable and duly documented.
- (d) Ensures that the detailed curriculum vitae of its members is updated promptly and kept posted throughout the term of office of each member.

The Board of Directors at its meeting on 18.06.2021 approved the proposal of the Nomination Committee for the election of new members of the Board of Directors in accordance with the provisions of Law 3016/2002, as amended, and Law 4706/2020.

The evaluation of the Internal Audit System (IAC) and the implementation of the provisions on Corporate Governance (CG) of Law 4706/2020, in the context of the decisions 1/891/30.9.2020 and 2/917/17.6.2021 of the Board of Directors of the Hellenic Capital Market Commission, as provided by par. 4 of article 14 of Law 4706/2020 and in accordance with the policy and procedure provided for by the Company's Internal Operating Regulations, was conducted by an independent Evaluator with a reference date of 31 December 2022 and a

reference period from 17 July 2021 (date of entry into force of article 14 of Law 4706/2020), until 31 December 2022.

The assessment of the adequacy of the Internal Audit System was carried out by the Audit Company "MPI HELLAS SA" during the period from December 2022 to March 2023 and by the Evaluator Certified Auditor Vroustouris Panagiotis, who has all the characteristics of independence and objectivity and has proven professional experience and training.

The relevant evaluation report on the adequacy and effectiveness of the Internal Audit System does not contain any material findings.

### **Remuneration and Nominations Committee**

Information about the Members of the Committee, the time of their election and term of office as well as their full CVs are posted on the Company's website at <https://petropoulos.com/epitropi-amoivon-kai-ypopsifiotiton-2>. The Committee met in 6 meetings in 2022 with all Members present.

### **Audit Committee**

Information about the Members of the Committee, the time of their election and term of office as well as their full CVs are posted on the Company's website at <https://petropoulos.com/epitropi-elegchoy>. The meetings of the Committee are reported at length in the Audit Committee Report incorporated herein.

### **Report of the Audit Committee to the shareholders**

#### ***Ladies and Gentlemen Shareholders,***

The institutional framework governing the operation and constitution of the Audit Committee, which is a necessary body for public interest entities such as the Listed Companies on the Athens Exchange, starts from the adoption of Regulation (EU) No. 537/2014 which includes specific requirements regarding the statutory audit of public interest entities and continues with the adoption of Directive 2014/56/EU which amends the previous Directive 2006/43/EC on statutory audits of annual and consolidated financial statements. In order to incorporate Directive 2014/56/EU into national law, Law 4449/2017 was passed on 24/1/17, which is now the legislative framework for the establishment and operation of the Audit Committee as amended and in force with the provisions of Law 4706/2020.

In particular, Article 44 of Law 4449/2017 includes provisions on audit committees regarding their establishment, structure, staffing as well as the supervision of the Audit Committee and the sanctions it imposes, as well as the increased responsibilities and obligations it has.

In this context, the Annual General Meeting of Shareholders, at its meeting of 22 June 2021, following the proposal of the Board of Directors, elected an independent audit committee consisting of the following members:



- a) Leventakis Dimitrios of Dionysios and Olga, born on 03/07/1968 in Athens, with ID number AH-519654, Tax ID 052587037, who was elected as chairman of the committee when it was constituted in accordance with the minutes of 23.06.2021,
- b) Ioannis Katsouridis of Miltiades and Aspasia, born on 15/02/1967 in Athens, with ID number AB-526413, Tax ID 033683578, member of the audit committee,
- c) Michalis Michaloutsos of Kikriakos and Eleni, born on 08/11/1947 in Athens, with ID number AE-534494, Tax ID 011982856, member of the audit committee,

The members of the Audit Committee, as a whole, have documented and sufficient knowledge in the sector in which the Company operates, and meet the requirements set forth in the provisions of par. 1 of article 44 of Law 4449/17. In particular, the members of the Committee have sufficient knowledge, experience and expertise in the following areas:

- Audit and Accounting (Mr. D. Leventakis)
- Legal and regulatory environment (Mr I. Katsouridis)
- Business Environment (Mr. M. Michaloutsos)

The existing Audit Committee of the Company has a five-year term of office, while all members of the Committee meet the provisions on independence in accordance with the spirit of Law 3016/2002, i.e., none of its members holds shares or other securities of the Company, except for Mr. M. Michaloutsos, who holds 1.452 shares of the Company or 0,020% of the total number of shares of the Company. Therefore, none of the members of the Audit Committee has any dependency relationship with the Company, nor with any of its affiliated persons and there are no financial, business, family or any other kind of dependency relationships for them, which may influence their decisions and their independent and objective judgment in accordance with the provisions of the article 9 of 4706/2020.

I. The main issues relating to the functioning of the Audit Committee are set out below:

#### A. Responsibilities of the Audit Committee

The responsibilities of the Audit Committee according to art 44 of L. 4449/2017, relate to:

##### A1. The appointment and monitoring of the independence of statutory auditors

- Is responsible for the selection process of statutory auditors or audit firms and proposes the statutory auditors or audit firms to be appointed in accordance with Article 16 of Regulation (EU) No 537/2014, except where par. 8 of Article 16 of Regulation (EU) No 537/2014 is applied.
- It reviews and monitors the independence of statutory auditors or audit firms in accordance with Articles 21, 22, 23, 23, 26 and 27, and Article 6 of Regulation (EU) No 537/2014 and in particular the appropriateness of the provision of non-audit services to the audited entity in accordance with Article 5 of Regulation (EU) No 537/2014.

- It monitors the statutory audit of the annual separate and consolidated financial statements and in particular its performance, considering any findings and conclusions of the competent authority in accordance with par. 6 of Article 26 of Regulation (EU) No 537/2014.

In this context, it supervises the independence process of the statutory auditor or the audit firm to ensure that all persons involved (partners, executives, etc.) performing the statutory audit are independent of the audited company and discusses with the auditor the risks to its independence and the safeguards it applies to mitigate those risks.

#### A2. Monitoring the annual audit and informing the Board of Directors

- It monitors the financial reporting process and makes recommendations or proposals to ensure its integrity.
- It informs the board of directors of the audited entity of the outcome of the statutory audit and explains how the statutory audit contributed to the integrity of the financial information and what the role of the audit committee was in that process.

In this context, it monitors the process of the statutory audit of the annual separate and consolidated financial statements, provides advisory and support services to the Board of Directors for the successful completion of its work and explains how the statutory audit contributed to the integrity of the financial reporting and, in particular, what was the role of the Audit Committee in this process.

#### A.3 Monitoring of Operations and Procedures

- It monitors the effectiveness of the internal control, quality assurance and risk management systems of the entity and, where applicable, its internal audit department, with respect to the financial reporting of the audited entity, without compromising its independence.

In this context, it monitors the effectiveness of the entity's internal control, quality assurance and risk management systems, monitors the financial reporting process and makes recommendations or proposals to ensure its integrity and monitors and reviews the proper functioning of the Internal Audit Unit in accordance with professional standards and the existing regulatory and statutory framework for the operation of the company and evaluate its work, its competence and its effectiveness, without prejudice its independence.

## B. NON-FINANCIAL INFORMATION

### Non-financial statements

The Audit Committee monitored and verified the compliance of the company's management report with the obligation to provide non-financial information in accordance with the provisions of article 151 of Law 4548/18.

### Sustainable Development Policy

The main factors referred to in the Sustainable Development policy, which the company has developed and adopt within 2022, consist of the following areas by category:

#### Environmental Factors

- Implementation of actions for the protection of the environment that go beyond the limits of compliance with legislation.
- Focus on actions to reduce our environmental footprint, the proper management of energy and the reduction of greenhouse gas emissions, the saving and recycling of natural resources and responsible water consumption.
- Offer products that contribute to a sustainable lifestyle.
- Raising awareness among employees, customers and the public on environmental protection and the adoption of a sustainable lifestyle.

For all of the above issues, the Company sets individual sustainable development targets, which it evaluates annually in terms of their effectiveness and revises them when and where necessary, with the aim of continuous improvement. The Management is committed to the implementation of the Sustainable Development Policy at all levels and sectors of the company's activities. The monitoring of the Sustainable Development Policy is the responsibility of the CEO. The Internal Audit Service also assists in monitoring through scheduled audits during each year.

#### Social Factors

- Assessing and prioritizing needs and then designing and implementing programs and actions based on the coverage of real and significant needs of the local community, the number of beneficiaries and the nature of our activities.
- Implementation of social actions that are aligned with the company's social responsibility strategy (support of vulnerable social groups, especially children).
- Responding to emergencies (e.g. pandemic, natural disasters), beyond the established programming of the social responsibility plan.

#### For Employees

- Care for the creation and preservation of jobs through the continuous development of the company's activities.
- Respect for diversity and internationally recognized human rights, which the company upholds and promotes through its policies and initiatives.
- Provide a working environment of meritocracy and equal opportunities, with policies of fair recruitment, reward and career development for all human resources, without discrimination.
- Compliance with the requirements of the National Legislation on the prevention and combating of violence and harassment at work.

- Investing in the continuous training and development of human resources, as well as in their systematic and merit-based assessment.
- Implementing a Health and Safety Policy, providing a healthy and safe working environment.
- Offering health benefits to employees and personalized support in cases of serious health issues and those affected by natural disasters.
- Encourage and promote employee volunteering.

#### Health, safety and accessibility for customers and visitors

- Implementation of a Health and Safety Policy in all areas of the company.
- Provide a healthy and safe environment for associates and visitors to the company's facilities.
- Ensure that persons with disabilities can safely stay, move and be accommodated in the company's premises.
- The products marketed by the company meet international quality and safety standards.

#### Governance Factors

##### Economic Development

- Focus on achieving positive financial results, pursuing rigorously selected investments and exploiting new investment opportunities.
- Investing in technology and upgrading the company's services, following the rapid changes in consumer habits, seeking to meet their growing needs and creating a positive customer experience.
- Ensure the continuous improvement of relations with the company's suppliers by communicating the terms of cooperation and the basic framework of principles and values that should govern the cooperation.
- Offer safe and quality products.

##### Corporate Governance

- Compliance with the legislation and implementation of control mechanisms to ensure compliance with the rules relating to the company's activity.
- Develop and implement a Code of Conduct and other related policies.
- Adoption of the Greek Corporate Governance Code for listed companies.
- Adopting a corporate structure and governance that allows for a close relationship with investors, with the ultimate goal of creating further value for shareholders.
- Assessing and managing business risks in order to safeguard the interests of all company stakeholders.

- Setting up committees, taking measures and monitoring policies and procedures to enhance transparency and prevent and combat fraud, corruption and bribery and any conduct contrary to the Code of Conduct.

#### Personal Data Protection

- Compliance with the obligations arising from the General Data Protection Regulation (EU) 679/2016, Law 4624/2019 and the relevant decisions, directives and regulatory acts of the Hellenic Data Protection Authority.
- Adoption and implementation of modern systems for the protection of personal data and information.
- Showing employees ways, methods, procedures and behaviors designed to ensure the protection of personal data and confidential information.

In accordance with article 151 of Law 4548/2018, the company is not obliged to implement specific sustainable development policies, while the Management Report of the Board of Directors includes a corporate governance statement, which provides the information specified in article 152 of Law 4548/2018 and its content corresponds to the financial statements for approval for the financial year ended 31. 12. 2022.

Finally, it is noted that in 2022 the company was included - after a thorough evaluation - in the "ATHEX ESG" environmental, social and corporate governance index. It is an index created in August 2021 to monitor the stock market performance of listed companies that adopt practices beneficial to the Environment, Society and Corporate Governance.

II. The issues dealt with by the Committee during its term of office are set out below.

During the year the Audit Committee reviewed all significant matters relating to the financial statements prepared and published by the company and the group, as well as the accompanying Board reports.

For this purpose, studied them and discussed them thoroughly, both with the company's management, the executives of the financial services, the head of the internal audit department and the auditing company MPI Hellas SA, in order to obtain reasonable assurance that the financial statements are free from material errors and misstatements. The key areas of the financial statements that the committee emphasized were:

- Evaluation of the appropriateness of the accounting principles and methods used, and the reasonableness of the financial estimates and disclosures made by the company.
- Review of the internal controls of both the company and the group in order to design audit procedures appropriate to the circumstances.
- Risk assessment of the detection of material error due to either fraud or error.
- Overview of significant related party transactions.
- Assessment of the structure and content of the separate and consolidated financial statements of 2022.

- Review of independence of statutory auditors for the year 2022 audit and confirmation of the submission of a supplemental audit report to the committee for the year 2022 audit.
- Review and confirmation of the provision of other non-audit services by the audit firm MPI Hellas SA, to the company and the group.
- Regulatory compliance review on corporate governance issues and compliance with the corporate and regulatory framework of the company and the group.
- Appropriateness of management's use of the going concern basis of accounting based on the audit evidence obtained.
- Monitoring of the internal control and risk management system.
- Review of the organization chart, the composition, and the qualifications of the internal audit department's staff, in order to obtain reasonable assurance that it operates objectively, has the necessary means, knowledgeable, experienced and trained personnel and maintains the independence required by law.
- Monitoring the annual training program of the head of the internal audit unit.
- Review of the Annual Internal Audit Plan for the year 2022 as well as the approval of annual audit program for 2023.
- Review of the annual audit plan of the department of compliance for the year 2022 and its the audit plan for the year 2023.
- Review of the risk management service's annual work plan for the year 2022 and its work plan for the year 2023.
- Execution of a tender procedure for the selection of an independent evaluator for the assessment of the internal control system in accordance with the provisions of case i of par. 3 and par. 4 of article 14 of Law 4706/2020 and the Decision 1/891/30.09.2020 of the Board of Directors of the Hellenic Capital Market Committee.
- Submission of a proposal for the appointment of an independent evaluator to the Board of Directors of the company for the assessment of the internal audit system in accordance with the provisions of case i of par. 3 and par. 4 of article 14 of Law 4706/2020.
- Forwarding the quarterly reports of the head of internal audit department to the board of directors of the company.
- Throughout its term of office, the committee, mainly through its chairman, had frequent and regular meetings with the head of the internal audit department. The purpose of the meeting was to discuss issues and any problems related to the operation of the department and any problems that had been identified by the inspections carried out by the department.

- Monitoring of the effectiveness of the Internal Audit system mainly through the reports and the analytical worksheets of the Internal Audit Department and their evaluation work by the independent auditing company MPI HELLAS S. A.
- Throughout its term of office, the committee, mainly through its chairman, had frequent and regular meetings with the Company's CEO and attended the meetings of the board of directors to inform them of the findings and reports of the head of the internal audit department. The purpose of the meetings was to discuss issues and any problems related to any issues that had been identified from the inspections carried out by the department.
- Monitoring the company's compliance with applicable laws, regulations and the broader regulatory environment in which it is required to perform its business purpose.
- Supervision of the external audit work and communication with the audit company MPI HELLAS SA and the company's management.
- Overview of the statutory audit coverage areas for the year 2022.
- Communication of the level of materiality and judgements about the criteria for selecting audited entities for consolidation purposes (scoping).
- Detailed presentation of the audit plan for the year 2022.
- Communication of any material errors and deficiencies in the internal control system that came to the attention of the auditors during the interim audit of the financial statements for the year 2022.
- Discussion on the progress of the audit program of the separate and consolidated financial statements as of 12.31.2022.
- Discussion on issues to be included in the presentation and the Supplementary Report to the Audit Committee.
- Presentation of the final audit report on the company and group's separate and consolidated financial statements.
- The committee paid particular attention to the initial audit plan of the audit firm MPI HELLAS S.A., which was received prior to the start of the audit, discussed it in detail with the audit firm and was satisfied with its content.
- In addition, the committee, in its respective meetings, invited MPI HELLAS S.A. and, without the presence of members of the Management, was informed, in writing or orally, regarding the results of the audit.

Below is the table of the audit committee meetings.

<b>Date</b>	<b>Subject</b>	<b>Composition, Present members</b>
17.01.2022	<p>Review of the internal audit report for Q4 2021 and report to the board of directors of the company.</p> <p>Review of the audit plan of the compliance department for the year 2022.</p>	<p>Leventakis Dimitrios Katsouridis Ioannis Michaloutsos Michael</p>
15.02.2022	<p>Preparation of the annual report of the audit committee for the year 2021 and submission of the report for approval to the board of directors of the company and to the annual general meeting of shareholders.</p> <p>Review of the internal audit department's audit plan for the year 2022.</p> <p>Examination of the annual financial statements for the period 01.01.2021-31.12.2021 and discussion with the auditing company MPI HELLAS SA on the separate and consolidated financial statements for the financial year ended 31 December 2021 and recommendation for approval of the financial statements by the board of directors of the company, as they were presented to the audit committee by the auditing company MPI Hellas SA.</p> <p>Approval of the audit committee's annual action plan for the year 2022</p> <p>Review of the company's risk register updating.</p>	<p>Leventakis Dimitrios Katsouridis Ioannis Michaloutsos Michael</p> <p>Members of the board of directors</p> <p>MPI HELLAS SA auditors</p>
10.05.2022	<p>Review the internal audit report for Q1 2022 and report to the board of directors of the company.</p> <p>Update of the most significant findings as they result from the internal audit report for Q1 2022.</p> <p>Review of the annual audit plan of the internal audit department for the year 2022.</p>	<p>Leventakis Dimitrios Katsouridis Ioannis Michaloutsos Michael</p> <p>Head of internal audit department</p>
10.06.2022	<p>Approval of the annual report of the audit committee and submission of the report for approval at the annual general meeting of 15.06.2022.</p>	<p>Leventakis Dimitrios Katsouridis Ioannis Michaloutsos Michael</p>
18.07.2022	<p>Review of the most significant findings derived from the internal audit report for the second quarter of 2022.</p> <p>Update on the most significant findings as derived from the internal audit report covering Q2 2022.</p>	<p>Leventakis Dimitrios Katsouridis Ioannis Michaloutsos Michael</p>
2.08.2022	<p>Examination of the interim semi-annual financial statements for the period 01.01.2022 - 30.06.2022 and discussion with the auditing company MPI HELLAS SA on the separate and consolidated interim semi-annual financial statements as well as recommendation for approval of the financial statements by the board of directors as they presented to the audit committee by the auditing company MPI Hellas SA.</p>	<p>Leventakis Dimitrios Katsouridis Ioannis Michaloutsos Michael</p> <p>Members of the board of directors MPI HELLAS SA auditors</p>
26.10.2022	<p>Review of the most significant findings derived from the internal audit report for Q3 2022.</p> <p>Update of the most significant findings as derived from the internal audit report covering Q3 2022.</p>	<p>Leventakis Dimitrios Katsouridis Ioannis Michaloutsos Michael</p>
2.12.2022	<p>Discussion on the audit framework for the assessment of the</p>	<p>Leventakis Dimitrios</p>



	<p>internal audit system based on the provisions of Law 4706/2020 and the decisions of the Hellenic Capital Market Commission. Process for the selection of the evaluator.</p> <p>Discussion on the annual audit plan with the audit firm MPI HELLAS SA regarding the planning and audit of the financial statements as of 31 December 2022.</p> <p>Approval of the revision of the internal audit and financial services manual.</p>	<p>Katsouridis Ioannis Michaloutsos Michael</p> <p>Head of internal audit department</p>
30.01.2023	<p>Review the most significant findings as derived from the internal audit report and the internal audit findings update report covering Q4 2022 and presentation of them to the company's board of directors.</p> <p>Review of the compliance audit plan for the year 2023.</p> <p>Evaluation of bids for internal audit system assessment services, determination of the scope of work and determination of material subsidiaries for the purpose of the assessment.</p> <p>Submission of proposal for appointment of evaluator.</p> <p>Evaluation of human and other resources of the internal audit department for the year 2023.</p> <p>Approval of the audit committee's annual action plan for the year 2023.</p>	<p>Leventakis Dimitrios Katsouridis Ioannis Michaloutsos Michael</p> <p>Head of regulatory compliance unit</p> <p>Head of internal audit department</p>
15.02.2023	<p>Preparation of the draft annual report of the company's audit committee and its submission for approval to the board of directors.</p> <p>Approval of the internal audit department's action plan for the year 2023.</p>	<p>Leventakis Dimitrios Katsouridis Ioannis Michaloutsos Michael</p>
08.03.2023	<p>Monitoring the progress of the work on the assessment of the internal audit system by external evaluators.</p> <p>Evaluation of the internal audit system by the audit committee.</p>	<p>Leventakis Dimitrios Katsouridis Ioannis Michaloutsos Michael</p> <p>Evaluators of the internal audit system</p> <p>Head of the internal audit department</p>

From the above-mentioned work, the following results were obtained:

- The Financial Statements, both as of 30 June 2022 and as of 31 December 2022, have been prepared in accordance with the applicable accounting standards (IFRS).
- No significant weaknesses or deficiencies in internal control procedures were identified.
- The company has an effective and adequate system of corporate governance.
- No findings of non-compliance of the company with laws, regulations or its Articles of Association were identified.
- There were no disagreements between MPI HELLAS S. A. and the company's management on issues related to financial reporting, while particular emphasis was placed on the issue of preparing reliable financial statements.

- A check was carried out of the fees paid to the audit company MPI HELLAS SA for the provision of audit and any non-audit services.
- The audit and other fees received by MPI HELLAS S. A. are stated in the company's annual report.
- The audit services offered for the year 2022 were evaluated and it was determined that MPI HELLAS S. A. has established appropriate mechanisms to ensure the company's compliance with the applicable regulatory and statutory framework, as well as its independence from the company.
- Also, after the completion of the 2022 audit and following a thorough evaluation of the services and work of MPI HELLAS S. A., the committee concluded that it has an audit team with high technical competence, a remarkable audit plan and program, as well as specific skills and competences of the members of the audit team for the proper conduct of the audit.
- In view of the above, the Committee is of the opinion that MPI HELLAS S. A. meets the criteria and proposes it to be appointed to carry out the audit of the Financial Statements of the company and the Group for the financial year 2023. This proposal was duly communicated to the Company's Management.

Dear Shareholders,

Concluding this brief report on the operation and responsibilities of the Audit Committee as well as the brief analysis of the audit results, I would like to thank the Company's Management and the Internal Audit Department for their contribution in facilitating the work of the Committee and its effective operation.

I would also like to thank the executives of both the company and the auditing company MPI HELLAS SA for their cooperation.

The Chairman of the Audit Committee

Dimitris Leventakis

## **Remuneration Report of the Board of Directors of the Company**

**"PETROS PETROPOULOS AEBE"**

**Register Number 285301000**

**For the year 1.1.2022 - 31.12.2022**

**To the Annual General Meeting of Shareholders**

This remuneration report has been prepared in accordance with the provision of article 112 of Law 4548/2018 and contains a comprehensive overview of the total remuneration of the members of the Board of Directors of the Company "PETROS PETROPOULOS AEBE" (hereinafter: the Company), for the financial year 2022, which have been paid either upon approval by the General Meeting of the Company's shareholders or within the framework of the Company's Remuneration Policy, approved on 6/29/2020.

All remuneration of the members of the Board of Directors complies with the approved Remuneration Policy and legislation, and in particular:

(a) Regarding the non-executive members: according to clause 1 of the Remuneration Policy, the remuneration of the non-executive members of the Board of Directors consists of the annual regular salary, determined on the basis of the time spent on the Board, with a minimum of 4 board memberships per year, but also the knowledge and experience of each member.

In determining the annual regular salary of the non-executive members of the Board of Directors, knowledge and experience are considered, as they are necessary for the formulation of development policy, the audit work of the Audit Committee, succession issues of the Nomination Committee and staff remuneration issues of the Executive Committee, as well as any other matter brought to their attention by the hierarchy for their opinion or decision.

(b) In respect of executive members: in accordance with clause 2 of the Remuneration Policy, the remuneration of executive members includes:

(b.1) Fixed salary: granted on a regular periodic basis and constitutes the guaranteed income.

(b.2) Variable remuneration: it aims at rewarding individual performance and will be calculated based on the return on equity employed (40% of the total), required for the operations and the achievement of the Company's strategic objectives.

Executive members may also participate in the company's "Special Bond for Participation in Unit Capital" program with a "Participation" amount of up to 1,2% of the capital employed. The amount to be refunded will be calculated based on the formula and terms of the above plan, in a document entitled "Special Unit Capital Participation Bond". Bond's performance can be negative, depending on the results, without having a cap. Participation can be taken up after three years. In case of losses, the amount of such losses will be deducted from the amount of the Participation, while the executive members will have the possibility, if they wish, to pay

the corresponding amount deducted, in order to restore the Participation to the original amount. Bond yields will be charged to the account interest expenses.

In general, the remuneration of the members of the Board of Directors is in line with the remuneration of the Company's executives, but also in reasonable proportion to the average remuneration of the Company's employees. In fact, the salaries of all employees, which had been reduced, have already returned to pre-crisis (2010) levels and thus, accordingly, the remuneration of the Board of Directors has also returned to the same pre-crisis levels.

### **1. Total remuneration of the Board of Directors for the financial year 1.1.2022 - 31.12.2022**

For your convenience, Table 1 below contains a detailed breakdown of the annual remuneration of any kind paid to the members of the Board of Directors during the financial year 1.1.2022 - 31.12.2022. It should be clarified that the earnings declared in Table 1 are gross earnings, while the net earnings are determined on the basis of the deductions and contributions borne by each beneficiary. Executive members are the Chairman of the Board and the CEO. Non-executive members are the Vice-Chairman of the Board and the Board Members.

### **2. Annual change in the remuneration of the members of the Board of Directors**

For convenience, Table 2 below sets out the annual change in the remuneration of the Board of Directors, indicators and ratios relating to the performance and financial condition of the Company, as well as the average gross annual remuneration of full-time employees for the Company's 2018, 2019, 2020, 2021 and 2022 years. The financial information of the Company, included in Table 2, is based on the published financial information of the respective years as audited by the Company's auditors.

### **3. Additional remuneration from a company belonging to the same Group**

During the year 2022, no remuneration was paid to the members of the Board of Directors by another Group company.

### **4. Number of shares and options for shares granted or offered to members of the Board of Directors**

No shares and share options have been granted or offered to the members of the Board of Directors until 31.12.2022.

### **5. Any exercised option rights of the Board of Directors under the Company's share offering plans**

This is not the case.

### **6. Information on the use of the possibility to withdraw variable pay**

This is not the case.

## 7. Information on any deviations from the application of the Remuneration Policy

The Company fully complies with the Remuneration Policy, as approved by the General Assembly of 29/6/2020.

The following is a detailed list of all types of remuneration (in euros) of the members of the Board of Directors of the Company.

**Table 1**

Name	Responsibility	Fixed Benefits	%	Variable Benefits	%	Other benefits *	%	Total
Economakis ichael	President	121.593,67	35,11%	221.000,00	63,82%	3.699,37	1,07%	346.293,04
Mihaloutsos Michael	Vice President	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00
Anagnostopoulos Theodoros	CEO	101.500,00	15,73%	540.000,00	83,69%	3.726,74	0,58%	645.226,74
Katsouridis Ioannis	Member	12.000,00	100,00%	0,00	0,00%	0,00	0,00%	12.000,00
Filiotis Ioannis	Member	12.000,00	100,00%	0,00	0,00%	0,00	0,00%	12.000,00
Drakos Georgios	Member	10.500,00	100,00%	0,00	0,00%	0,00	0,00%	10.500,00
Manos Stefanos	Member	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00
Embeogloy Nikolaos	Member	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00
Velissaropoulou Arianni	Member	10.500,00	100,00%	0,00	0,00%	0,00	0,00%	10.500,00
Kiriazi Cleopatra	Member	10.500,00	100,00%	0,00	0,00%	0,00	0,00%	10.500,00
<b>Total</b>		<b>278.593,67</b>	<b>26,61%</b>	<b>761.000,00</b>	<b>72,68%</b>	<b>7.426,11</b>	<b>0,71%</b>	<b>1.047.019,78</b>

\* Participation in a group health and pension insurance policy

**Table 2**

Amounts in thousands euros

Gross benefits	2018	2019	2020	2021	2022	2019 /2018	2020 /2019	2021 /2020	2022/2021
Gross annual benefits of the members of the board of directors	28,43	181,53	181,05	386,56	1.047,02	538,52%	-0,26%	113,51%	170,86%
Average annual gross benefits of full-time employees (excluding members of the board of directors)	28,74	29,15	29,03	31,45	31,85	1,43%	-0,41%	8,34%	1,27%
Number of employees	146	154	157	166	178	5,48%	1,95%	5,73%	7,23%
<b>Financial data</b>									
Rentals	29,73	39,99	142,88	277,73	299,44	34,51%	257,29%	94,38%	7,82%
EBITDA	6.171,32	7.340,83	6.913,78	11.759,41	11.140,07	18,95%	-5,82%	70,09%	-5,27%
Adjusted BITDA	6.171,32	7.340,83	6.913,78	11.759,41	11.140,07	18,95%	-5,82%	70,09%	-5,27%
Net profit before taxes	4.237,32	5.560,25	4.844,01	9.890,04	8.595,04	31,22%	-12,88%	104,17%	-13,09%
Net profit after taxes	2.555,31	3.495,85	3.322,82	6.763,91	6.542,57	36,81%	-4,95%	103,56%	-3,27%
NAV/ number of shares	4,5	5,1	5,2	6	6,6	13,33%	1,96%	15,38%	10,00%

Athens, 28 March 2023

Michael Economakis

Chairman of the Board of Directors

The Annual Financial Statements, the Auditor's Report and the Reports of the Board of Directors of the subsidiaries will be posted on the Company's website:

[\(https://petropoulos.com/documents/oikonomikes-katastaseis/\)](https://petropoulos.com/documents/oikonomikes-katastaseis/).

**Annual Separate and Consolidated  
Financial Statements for the year 2022**

**In Accordance With IFRS  
That Have Been Adopted by the E.U.**

**I. Statement of Financial Position**

(Amounts in euro)

<u>Assets</u>	Note.	<b>Group</b>		<b>Company</b>	
		<u>31/12/2022</u>	<u>31/12/2021</u>	<u>31/12/2022</u>	<u>31/12/2021</u>
<b>Non current assets</b>					
Property plant and equipment	7.1	13.841.222,30	14.072.388,30	9.301.222,29	9.644.388,29
Intangible assets	7.2	526.578,75	350.911,02	526.578,75	350.911,02
Right of use assets	7.3	3.537.166,30	970.056,07	3.786.376,25	1.468.475,96
Investments in subsidiaries	7.4	0,00	0,00	4.683.310,36	4.683.310,36
Deferred tax assets	7.12	404.817,05	317.665,81	599.600,25	471.816,36
Trade receivables	7.5	460.995,24	486.382,86	460.995,24	486.382,86
Other receivables	7.6	169.265,00	93.727,00	169.265,00	93.727,00
<b><u>Total non current assets</u></b>		<b>18.940.044,64</b>	<b>16.291.131,06</b>	<b>19.527.348,14</b>	<b>17.199.011,85</b>
<b>Current assets</b>					
Inventory	7.7	25.329.393,13	19.997.076,14	25.329.393,13	19.997.076,14
Trade receivables	7.8	24.644.005,32	23.027.192,92	24.617.637,77	22.978.285,12
Other receivables	7.9	7.436.815,97	3.995.324,72	7.429.601,54	3.986.183,33
Cash and cash equivalents	7.10	10.589.434,31	15.859.859,28	10.166.969,08	15.592.266,33
<b><u>Total current assets</u></b>		<b>67.999.648,73</b>	<b>62.879.453,06</b>	<b>67.543.601,52</b>	<b>62.553.810,92</b>
<b>Total assets</b>		<b>86.939.693,37</b>	<b>79.170.584,12</b>	<b>87.070.949,66</b>	<b>79.752.822,77</b>
<b>Equity and liabilities</b>					
<b>Equity</b>					
Share capital	7.17	6.575.472,00	6.575.472,00	6.575.472,00	6.575.472,00
Reserves	7.18	6.793.533,42	6.620.671,21	5.882.078,12	5.816.440,70
Retained earnings		33.632.916,09	29.150.967,95	32.761.352,57	28.552.507,16
<b><u>Total equity</u></b>		<b>47.001.921,51</b>	<b>42.347.111,16</b>	<b>45.218.902,69</b>	<b>40.944.419,86</b>
<b>Long term liabilities</b>					
Long term loans	7.11	9.725.000,00	15.000.000,00	9.725.000,00	15.000.000,00
Staff retirement indemnities	7.13	673.012,36	664.022,65	673.012,36	664.022,65
Liabilities from rights of use assets	7.3	688.328,73	0,00	857.043,86	0,00
Other liabilities	7.14	1.299.343,13	1.133.554,99	1.299.343,13	1.133.554,99
<b><u>Total long term liabilities</u></b>		<b>12.385.684,22</b>	<b>16.797.577,64</b>	<b>12.554.399,35</b>	<b>16.797.577,64</b>
<b>Short term liabilities</b>					
Short term loans	7.15	2.000.000,74	0,00	2.000.000,74	0,00
Short term part of long term loans	7.15	2.750.000,00	3.475.000,00	2.750.000,00	3.475.000,00
Trade and other payables	7.16	23.610.281,54	19.468.349,82	25.289.305,64	20.959.642,66
Liabilities from rights of use assets	7.3	711.286,36	270.335,80	711.286,36	600.040,56
Current income tax		1.034.401,91	1.224.103,12	1.020.442,97	1.219.320,34
<b><u>Total short term liabilities</u></b>		<b>30.105.970,55</b>	<b>24.437.788,74</b>	<b>31.771.035,71</b>	<b>26.254.003,56</b>
<b><u>Total liabilities</u></b>		<b>39.937.771,86</b>	<b>36.823.472,96</b>	<b>41.852.046,97</b>	<b>38.808.402,91</b>
<b>Total equity and liabilities</b>		<b>86.939.693,37</b>	<b>79.170.584,12</b>	<b>87.070.949,66</b>	<b>79.752.822,77</b>



**II. Statement of Total Comprehensive Income**

(Amounts in euro)

	Note	<u>Group</u>		<u>Company</u>	
		1/1- 31/12/2022	1/1- 31/12/2021	1/1- 31/12/2022	1/1- 31/12/2021
Revenue	6	156.133.639,03	155.741.908,27	155.873.432,60	155.413.708,28
Cost of sales	6	(127.083.022,12)	(128.799.603,18)	(126.853.670,79)	(128.513.290,16)
Gross profit	6	29.050.616,91	26.942.305,09	29.019.761,81	26.900.418,12
Other income	7.21	3.047.064,56	2.173.768,44	2.938.354,29	2.121.197,45
Administrative expenses	7.20	(4.643.523,25)	(3.795.589,68)	(4.819.751,59)	(3.934.140,87)
Selling expenses	7.20	(16.726.800,91)	(13.804.882,91)	(16.726.800,91)	(13.804.882,91)
Other expenses	7.22	(793.442,59)	(793.193,37)	(792.442,26)	(769.939,54)
Earnings before tax, interest and investment income		9.933.914,72	10.722.407,57	9.619.121,34	10.512.652,25
Investment income	7.23	191.292,33	143.284,55	191.292,33	143.282,35
Interest and similar expenses	7.24	(1.530.168,89)	(975.655,80)	(1.541.603,71)	(975.215,32)
Profit before tax		8.595.038,16	9.890.036,32	8.268.809,96	9.680.719,28
Income tax	7.25	(2.052.473,01)	(3.126.127,12)	(2.005.172,33)	(3.087.483,79)
<b>Profit after tax</b>		<b>6.542.565,15</b>	<b>6.763.909,20</b>	<b>6.263.637,63</b>	<b>6.593.235,49</b>
Other comprehensive income					
<i>Non reclassified to profit and loss</i>					
Property revaluation gains/losses		214.150,54	0,00	84.150,54	0,00
Actuarial gains/losses	7.13	85.035,81	(11.315,06)	85.035,81	(11.315,06)
Income tax		(65.821,00)	13.065,77	(37.221,00)	(49,35)
<b>Total non-reclassified to profit and loss</b>		<b>233.365,35</b>	<b>1.750,71</b>	<b>131.965,35</b>	<b>(11.364,41)</b>
<b>Total other comprehensive income</b>		<b>233.365,35</b>	<b>1.750,71</b>	<b>131.965,35</b>	<b>(11.364,41)</b>
<b>Total comprehensive income</b>		<b>6.775.930,50</b>	<b>6.765.659,91</b>	<b>6.395.602,98</b>	<b>6.581.871,08</b>
<u>Profit is attributable to:</u>					
Shareholders of the parent company		6.542.565,15	6.763.909,20	6.263.637,63	6.593.235,49
Non-controlling interests		0,00	0,00	0,00	0,00
<b>Total</b>		<b>6.542.565,15</b>	<b>6.763.909,20</b>	<b>6.263.637,63</b>	<b>6.593.235,49</b>
<u>Total comprehensive income is attributable to:</u>					
Shareholders of the parent company		6.775.930,50	6.765.659,91	6.395.602,98	6.581.871,08
Non-controlling interests		0,00	0,00	0,00	0,00
<b>Total</b>		<b>6.775.930,50</b>	<b>6.765.659,91</b>	<b>6.395.602,98</b>	<b>6.581.871,08</b>
Earnings per share (basic)	7.26	0,9999	1,0338	0,9573	1,0077

III. Statement of Changes in Equity (Group)

<i>(Amounts in euro)</i>	<u>Share capital</u>	<u>Share premium</u>	<u>Own shares reserve</u>	<u>Revaluation reserve</u>	<u>Other reserves</u>	<u>Retained earnings</u>	<u>Total</u>
<b>Balances at 01.01.2021</b>	<b>6.575.472,00</b>	<b>148.782,35</b>	<b>(2.287.461,35)</b>	<b>2.597.527,71</b>	<b>5.786.691,80</b>	<b>23.744.124,61</b>	<b>36.565.137,12</b>
- Total comprehensive income after taxes				10.576,46	488.183,54	6.266.899,91	6.765.659,91
Totals	6.575.472,00	148.782,35	(2.287.461,35)	2.608.104,17	6.274.875,34	30.011.024,52	43.330.797,03
- Dividends paid						(860.056,57)	(860.056,57)
- Own shares			(123.629,30)				(123.629,30)
<b>Balances at 31.12.2021</b>	<b>6.575.472,00</b>	<b>148.782,35</b>	<b>(2.411.090,65)</b>	<b>2.608.104,17</b>	<b>6.274.875,34</b>	<b>29.150.967,95</b>	<b>42.347.111,16</b>
<b>Balances at 01.01.2022</b>	<b>6.575.472,00</b>	<b>148.782,35</b>	<b>(2.411.090,65)</b>	<b>2.608.104,17</b>	<b>6.274.875,34</b>	<b>29.150.967,95</b>	<b>42.347.111,16</b>
- Total comprehensive income after taxes				167.037,42	5.824,79	6.603.068,29	6.775.930,50
Totals	6.575.472,00	148.782,35	(2.411.090,65)	2.775.141,59	6.280.700,13	35.754.036,24	49.123.041,66
- Dividends paid						(2.121.120,15)	(2.121.120,15)
<b>Balances at 31.12.2021</b>	<b>6.575.472,00</b>	<b>148.782,35</b>	<b>(2.411.090,65)</b>	<b>2.775.141,59</b>	<b>6.280.700,13</b>	<b>33.632.916,09</b>	<b>47.001.921,51</b>

III. Statement of Changes in Equity (Company)

(Amounts in euro)

	<u>Share capital</u>	<u>Share premium</u>	<u>Own shares reserve</u>	<u>Revaluation reserve</u>	<u>Other reserves</u>	<u>Retained earnings</u>	<u>Total</u>
<b>Balances at 01.01.2021</b>	<b>6.575.472,00</b>	<b>148.782,35</b>	<b>(2.287.461,35)</b>	<b>1.971.290,69</b>	<b>5.625.961,01</b>	<b>23.312.189,95</b>	<b>35.346.234,65</b>
- Total comprehensive income after tax			0,00	(2.538,66)	484.035,96	6.100.373,78	6.581.871,08
Totals	6.575.472,00	148.782,35	(2.287.461,35)	1.968.752,03	6.109.996,97	29.412.563,73	41.928.105,73
- Dividends paid						(860.056,57)	(860.056,57)
- Own shares			(123.629,30)				(123.629,30)
<b>Balances at 31.12.2021</b>	<b>6.575.472,00</b>	<b>148.782,35</b>	<b>(2.411.090,65)</b>	<b>1.968.752,03</b>	<b>6.109.996,97</b>	<b>28.552.507,16</b>	<b>40.944.419,86</b>
<b>Balances at 01.01.2022</b>	<b>6.575.472,00</b>	<b>148.782,35</b>	<b>(2.411.090,65)</b>	<b>1.968.752,03</b>	<b>6.109.996,97</b>	<b>28.552.507,16</b>	<b>40.944.419,86</b>
- Total comprehensive income after tax				65.637,42		6.329.965,56	6.395.602,98
Totals	6.575.472,00	148.782,35	(2.411.090,65)	2.034.389,45	6.109.996,97	34.882.472,72	47.340.022,84
- Dividends paid						(2.121.120,15)	(2.121.120,15)
- Own shares			0,00				0,00
<b>Balances at 31.12.2022</b>	<b>6.575.472,00</b>	<b>148.782,35</b>	<b>(2.411.090,65)</b>	<b>2.034.389,45</b>	<b>6.109.996,97</b>	<b>32.761.352,57</b>	<b>45.218.902,69</b>

**IV. Cash Flow statement**

(Amounts in euro)

	Note.	<u>Group</u>		<u>Company</u>	
		<u>1/1- 31/12/2022</u>	<u>1/1- 31/12/2021</u>	<u>1/1- 31/12/2022</u>	<u>1/1- 31/12/2021</u>
<b>Indirect method</b>					
<b><u>Operating activities</u></b>					
Profit before tax		8.595.038,16	9.890.036,32	8.268.809,96	9.680.719,28
Adjustments:					
Depreciation	6	1.206.154,92	1.037.002,24	1.437.364,87	1.268.024,68
Provisions		(4.572,19)	(2.325,35)	(4.572,19)	(2.325,35)
Loss form investing activities	7.23	(191.292,33)	(143.284,55)	(191.292,33)	(143.282,35)
Interest income	7.24	1.530.168,89	975.655,80	1.541.603,71	975.215,32
		<b>11.135.497,45</b>	<b>11.757.084,46</b>	<b>11.051.914,02</b>	<b>11.778.351,58</b>
Changes of working capital					
(Increase) / Decrease of inventory		(5.332.316,99)	(2.054.593,99)	(5.332.316,99)	(2.054.593,99)
(Increase) / Decrease of receivables		(5.195.605,27)	4.611.660,29	(5.260.705,13)	4.576.260,84
Increase / (Decrease) of liabilities (other than loans)		4.393.744,39	5.891.040,17	4.633.325,51	6.111.164,69
		<b>(6.134.177,87)</b>	<b>8.448.106,47</b>	<b>(5.959.696,61)</b>	<b>8.632.831,54</b>
<b>less:</b>					
Interest expenses paid	7.24	(1.450.790,66)	(975.655,80)	(1.462.225,48)	(975.215,32)
Income tax paid		(2.383.854,69)	(1.325.931,38)	(2.369.054,59)	(1.325.931,38)
<b>Net cash flows from operating activities (a)</b>		<b>1.166.674,23</b>	<b>17.903.603,75</b>	<b>1.260.937,34</b>	<b>18.110.036,42</b>
<b><u>Investing activities</u></b>					
Purchases of tangible and intangible assets	6	(806.652,66)	(550.982,88)	(806.652,66)	(550.982,88)
Receipts from sales of tangible and intangible assets		224.386,32	215.376,77	224.386,32	215.376,77
Interest received	7.23	191.292,33	143.284,55	191.292,33	143.282,35
<b>Net cash flows from investing activities (b)</b>		<b>(390.974,01)</b>	<b>(192.321,56)</b>	<b>(390.974,01)</b>	<b>(192.323,76)</b>
<b><u>Financing activities</u></b>					
Purchases/(sales) of own shares		0,00	(123.629,30)	0,00	(123.629,30)
Dividends paid		(2.121.120,15)	(860.056,57)	(2.121.120,15)	(860.056,57)
Loans received / paid		(3.574.999,26)	(11.550.972,24)	(3.574.999,26)	(11.550.972,24)
Payments of rights of use assets		(350.005,78)	(339.406,55)	(599.141,17)	(588.616,50)
<b>Net cash flows from financing activities (c)</b>		<b>(6.046.125,19)</b>	<b>(12.874.064,66)</b>	<b>(6.295.260,58)</b>	<b>(13.123.274,61)</b>
Net increase in cash and cash equivalents (a+b+c)		(5.270.424,97)	4.837.217,53	(5.425.297,25)	4.794.438,05
Cash and cash equivalents at the beginning of the period		15.859.859,28	11.022.641,75	15.592.266,33	10.797.828,28
<b>Cash and cash equivalents at the end of the period</b>		<b>10.589.434,31</b>	<b>15.859.859,28</b>	<b>10.166.969,08</b>	<b>15.592.266,33</b>

## NOTES TO THE FINANCIAL STATEMENTS

1 January to 31 December 2022

### 1. Information about the Group

#### 1.1 General Information

PETROS PETROPOULOS SA (the "Company") is a company registered in Greece under R.N. 2359/06 / B / 86/14. It has its headquarters in Athens, at 96-104 Iera Odos Street, and its internet address is www.petropoulos.com. Founded in 1922 in Thessaloniki, it manufactures, amends, distributes and trades a wide range of products such as cars, trucks, buses, generators, vehicle batteries, diesel engines, boats, outboard engines, agricultural, earthmoving and industrial machinery. The Company holds a leading position in the Greek market in every sector of its activity. These financial statements of the Group and the Company, for the year from 1 January to 31 December 2022, were approved by the Board of Directors on 28.03.2023 and under the law are subject to the approval of the General Assembly of Shareholders, to be held no later than 10.09.2023. Under the law the General Assembly of Shareholders has the right to modify the financial statements.

The Board of Directors consists of:

Michael Economakis, Chairman (Executive)

Michael Michaloutsos Vice President (Independent, Non-executive)

Theodoros Anagnostopoulos, Managing Director (Executive member)

Arriani Velissaropoulou, member (Independent, Non-executive)

George Drakos, member (non-executive)

Nikolaos Ebeoglou, member (non-executive)

Ioannis Katsouridis, member (non-executive)

Cleopatra Kiriazi, member (non-executive)

Stephanos Manos, member (Independent, Non-executive)

Ioannis Filiotis, member (non-executive)

#### 1.2 Structure of the Group

The consolidated financial statements (Group) include the financial statements of the parent Company and its subsidiaries:

<u>Company</u>	<u>Head Office</u>	<u>Percentage of Participation</u>
- PETROS PETROPOULOS AEBE	Athens, Greece	Parent
- A.E.G.E.M. S.A.	Athens, Greece	100%
- PETROMOTOR BULGARIA EOOD	Sofia, Boulgaria	100 %

The above companies are consolidated under the full consolidation method.

## **2. Significant Accounting Policies Used by the Group and the Company**

### **2.1 Basis of preparation of the financial statements**

The consolidated financial statements of the Group and the financial statements of the Company are prepared in accordance with the International Financial Reporting Standards (hereinafter referred to as IFRS) adopted by the European Union. The financial statements have been prepared under the historical cost convention except for property and certain financial instruments that are measured at fair value.

### **2.2 Consolidation**

#### **Subsidiary companies**

The consolidated financial statements include the financial statements of the Company and the companies controlled by it (subsidiaries). Control exists when the Company has the power to direct the financial and operating activities of a business in order to obtain benefit. The results, assets and liabilities of subsidiaries are included in the financial statements using the full consolidation method. The financial statements of the subsidiaries are prepared with the same accounting policies as the Company. Intra-group transactions, intra-group balances and intra-group revenues and expenses are eliminated on consolidation. Goodwill arising on the acquisition of a business, if positive, is recognized as a non-depreciable asset subject to impairment testing annually. If it is negative, it is recognized as income in the income statement of the Group. Goodwill is the difference between the acquisition cost and the fair value of the individual assets, liabilities and contingent liabilities of the acquiree.

### **2.3 Operating Segments**

The Group's operating segments are strategic units selling different goods. They are monitored and managed separately by the Board of Directors because these goods are of a completely different nature, market demand and gross profit margin.

The sectors of the Group are:

1. Vehicle Sector, which includes Truck and Bus Business Units, PC and LCV and Jaquar & LAND ROVER.
2. Self-Propelled Machines Sector, which includes the Petrogen Business Unit (Electric Power Supply), E and B (Engines and Boats), McCormick and KUBOTA (Agricultural Machinery) and GEOTEC (agricultural-horticultural machinery and industrial equipment).
3. Unit of Lubricants and Car Care, which includes the business units OSTREA (lubricants), PMS (accumulators, tires and car accessories) and IE (Industrial Equipment).
4. IBU Sector, which includes the Innovation Business Unit.
5. Real Estate Sector.

The accounting policies for the operating segments are the same as those used for the preparation of the Financial Statements.

Profitability of the segments is measured on the basis of profit or loss from operating activities before income tax and without taking into account certain income and expense items (extraordinary and foreign exchange differences) that Management monitors overall.

Group sales are wholesale in total and include domestic sales and exports.

## **2.4 Exchange rate translations**

(a) Functional currency and presentation currency.

The figures for the financial statements of the Group's and the consolidated companies are denominated in Euro, which is the currency of the economic environment in which they operate (Functional Currency).

(b) Transactions and balances

Transactions in foreign currencies are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the translation of the monetary items denominated in foreign currency during the period and at the balance sheet date with the existing exchange rates, are recognized in the income statement.

## **2.5 Intangible Assets**

Intangible assets relate to:

(a) Software programs, the value of which includes their purchase cost, plus the costs incurred in order to put them into operation, less any accumulated depreciation and any impairment. Significant subsequent costs are capitalized when they increase software performance beyond the original specifications. Software amortization is accounted for using the straight-line depreciation method over a period of eight to ten years.

(b) Brand names resulting from acquisitions, that are amortized over ten years, which is also their contractual life.

(c) Clientele resulting from acquisitions, that is amortized over 10 years, which is their expected durability.

## **2.6 Property, plant and equipment**

PPE are initially recognized at cost. Subsequently, they are measured as follows:

(a) Self-occupied property is measured at fair values. Revaluations are performed every three to five years or earlier if there are significant changes in their value by independent valuers. Revaluation differences (surplus) are recognized in equity. Exceptionally, the impairment loss is recognized in profit or loss, as long as it

is not covered by a reserve of equity. At the end of 2018 some retained earnings reclassified to revaluation reserve, so that the revaluation reserve to be shown in its actual value. Depreciation is carried out on the revalued amounts.

(b) Other tangible fixed assets are measured in cost, less depreciation and any impairment.

Property plant and equipment are derecognized at the time of sale. The difference between their book value and the selling price is recognised as a profit or loss in the income statement. Any revaluation reserve is transferred at the time of the derecognition directly to the retained earnings.

Depreciation is carried out using the straight-line method over the estimated useful life. Residual values are not recognized. The depreciation rates are as follows:

<u>Category</u>	<u>Useful life</u>
Buildings	8-30 years
Machinery	10-25 years
Vehicles	6-10 years
Other equipment	5-20 years

## **2.7 Impairment of assets**

Assets that are accounted for at cost are subject to impairment testing when there is evidence that their carrying amount will not be recovered. Impairment losses arise when their recoverable value is less than their carrying amount. Impairment losses are recognized as losses in the income statement when incurred. Recoverable value is the greater of the fair value less costs to sell and the value in use.

## **2.8 Interests in subsidiaries**

Interests in subsidiaries, at the level of separate financial statements, are measured at acquisition costs less any impairment losses.

## **2.9 Inventory**

Inventories are measured at the lowest price between the acquisition cost and the net realizable value. The cost of inventories is determined by using the weighted average cost method for merchandise and the individual cost method for self - constructed products. Self – constructed products are measured on the basis of their cost of production. Production costs include direct production costs and an appropriate proportion of general production costs.



## **2.10 Trade and other receivables**

Receivables are initially recognized at their fair value and subsequently are measured at amortized cost using the effective interest rate, less impairment losses. Impairment losses (losses from bad debts) are recognized when there is objective evidence that the Group and the Company are not in a position to recover all amounts due under the contractual terms. The amount of the impairment loss is the difference between the carrying amount of the receivables and the present value of the estimated future cash flows discounted at the original effective interest rate. The amount of the impairment loss is recognized as an expense in the income statement.

## **2.11 Cash and cash equivalents**

Cash and cash equivalents include cash on hand, demand deposits and short-term investments of up to 3 months highly liquid and subject to an insignificant risk of changes in value. Initially and subsequently, they are measured in nominal amounts. If such items are interest-bearing, accrued interest is recognized as income.

## **2.12 Share capital**

Common shares are classified as equity. Direct costs for the issue of shares, after the deduction of the relevant income tax, are reduced from the product of the issue. The cost of acquiring treasury shares, reduced by income tax (if applicable), is deducted from the Group's equity until the shares are sold or cancelled. Any gain or loss on the sale of treasury shares net of transaction costs and income tax (if applicable), is presented as a reserve in equity.

## **2.13 Financial liabilities**

Financial liabilities are initially recognised at fair value less any transaction costs. After initial recognition, are measured at amortized cost by using the effective interest rate method and the relevant interest is recognised as expense in the income statement. Financial liabilities arising from the acquisition of entities with contingent consideration, after initial recognition are measured at fair value and the relevant changes in fair value are recognised as gains or losses in the income statement.

Financial liabilities are derecognized when the obligation arising from them is cancelled or expires. When an existing financial liability is replaced by another by the same creditor but under substantially different conditions, or the terms of an existing liability are significantly amended, that exchange or modification is treated as a recognition of a new liability and derecognition of the initial. The difference in the respective accounting values is recognised as gain or loss in the income statement.

## **2.14 Income Taxes**

Income tax includes:

- (a) Current income tax, which is based on taxable income, as determined by the applicable tax legislation.
- (b) Deferred income tax, which is determined by using the liability balance sheet method, on the basis of temporary differences between the carrying amount and the tax base of assets and liabilities and is calculated by using the tax rates that are expected to apply at the time of recovery of the book value of

assets and the settlement of liabilities. Deferred tax assets are recognized to the extent that future taxable profit is expected to be used to utilize the temporary differences.

- (c) Income tax and income tax penalties that could result from a future tax inspection, which are presented as current income taxes in the income statement.

Income tax is recognized as an expense or income in the income statement. However, income tax on transactions, the effects of which are recognized in equity, is recognized also in equity, either directly or through the statement of other comprehensive income, as applicable.

### **2.15 Employee benefits**

- a) short term benefits

Short-term benefits to employees in cash and in kind are recognized as an expense when they incurred.

- b) Benefits to be paid on retirement

These benefits include both defined contribution schemes (state insurance) and defined benefit plans (one-off benefits on retirement, imposed by Law 2112/20). The accrued cost of defined contribution plans is recognized as an expense in the period it incurred. The cost of defined benefit plans and the relevant liability, recognized in the balance sheet, are calculated annually by actuaries using the projected unit credit method. The interest rate curve of the European Central Bank bonds was used to discount the future liability. All actuarial gains and losses arising from the revision of the actuarial valuation assumptions are recognized directly in retained earnings through the statement of other comprehensive income.

### **2.16 Revenue recognition**

Revenue is measured at the fair value of sales of goods and services before VAT, other taxes, deductions and rebates. Revenue is recognized as follows:

#### **(a) Sales of goods**

Sales of goods are recognized when the Group and the Company deliver the goods to customers, the goods are accepted by them, and the collection of the receivable is reasonably assured.

#### **(b) Rendering of services**

Revenue from rendering of services is accounted for by using the percentage of completion method.

#### **(c) Interest income**

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

#### **(d) Royalties**

Royalties are recognized on the basis of accrued income in accordance with the substance of the contracts.

**(e) Dividends**

Dividends are recognized as income when the right to receive them is established.

**2.17 Leases**

*The Group and the Company as lessors*

Proceeds from operating leases are recognized as income on a straight-line basis over the lease term.

*The Group and the Company as lessees*

Leasehold assets are recognized as assets (right of use assets) measured at the lease inception, at the lower between their fair value and the present value of the minimum lease payments. The relevant obligation to the lessor is recognized in the balance sheet as a liability. Lease payments are split to finance expense and settlement of the liability, so that a constant periodic interest rate to be applied on the balance of the liability. The recognized assets are depreciated using the straight-line method over the term of the lease.

**2.18 Dividend distribution**

The distribution of dividends to the shareholders of the parent is recognized as a liability in the financial statements when the distribution is approved by the General Assembly of Shareholders.

**3. Financial risk management**

**3.1 Financial risk factors**

The Group and the Company are exposed to several financial risks such as risk of market prices, credit risk and cash flow risk from interest rate fluctuations. Risk management is handled by the central portfolio management service, which operates under specific rules set by the Board of Directors. The Central Portfolio Management Service identifies, estimates and hedges the financial risks when is required in cooperation with services that face these risks. The Board of Directors provides general written instructions and guidance on risk management as well as specific instructions for managing specific risks such as currency risk, interest rate risk and credit risk.

**(a) Currency risk**

Although the Group and the Company are active at the international level, they are not exposed to currency risk because almost all transactions are carried out in euro.

**(b) Credit risk**

The Group and the Company do not have significant credit risk concentrations. Wholesale sales are mainly made to customers with reduced risk of losses. In cases of long-term credits, usually more than one year and if there is a possibility, the ownership of the goods sold is held.

**(c) Liquidity risk**

Liquidity risk is maintained at low levels through the assignment of receivables without recourse (note 7.7) as well as through bank credit lines amounting at 31.12.2022 to approximately € 25.000.000,00.

**(d) Risk of interest rate fluctuations.**

The Group and the Company do not have significant interest-bearing assets, and their policy is to take loans bearing floating rates. The risk of interest rate changes coming from long-term loans is not significant for the Group and the Company as all of them are debenture loans with locked spreads.

**3.2 Determination of fair values**

The fair value of financial instruments traded in active markets (stock exchange markets) is determined by the quoted prices prevailing at the balance sheet date. For instruments that are not traded in active markets, their fair value is determined using measurement techniques. The fair value of the property is determined by independent valuers using the methods provided by the appraisal profession. (Fair value hierarchy level 3).

**4. Critical management estimates and judgments - uncertainties**

The preparation of the financial statements requires the exercise of judgment and the conduct of estimates by management, which affect the implementation of accounting policies, the amounts of revenue, expenses, assets, liabilities and disclosures. These estimates and assumptions are based on past experience and other factors that are considered reasonable for the circumstances. The facts, however, may differ from these estimates. Estimates and assumptions are reassessed on an ongoing basis.

Changes to accounting estimates are recognized in the period in which they are made if they relate only to that period, or in the period and to future periods, if change affects both the current and future periods. Accounting estimates are made for/and affect:

- property plant and equipment, in relation to their useful life and residual value at the end of their useful life, for the calculation of depreciation (IAS 16),
- receivables with regard to estimates of the amounts expected to be collected where there are indications of impairment (IFRS 9),
- inventory when there are indications that their net realizable value is lower than their cost (IAS 2),
- income tax and deferred tax for the purpose of determining current and future tax consequences (IAS 12),
- staff retirement benefits (IAS 19).

## 5. New Standards and Interpretations

Standards and Interpretations Effective for the Year 2022

«**Covid-19 Related Rent Concessions – Amendments to IFRS 16 Leases**». Issued in May 2020 with effect for annual periods beginning on or after 01.06.2020. It allows lessees not to handle rent reductions made as a result of the pandemic and which meet certain conditions, as lease modifications. In March 2021, a new amendment entitled "Covid-19 Related Rent Concessions Beyond 30. 06. 2021" was issued effective for annual periods beginning on or after 1.4.2021. This additional amendment to IFRS 16 extended the exemption provided by the first amendment for an additional year. They were not applicable to the group and the company.

«**Reference to the Framework - Amendments to IFRS 3 Business Combinations**». Issued in May 2020 with effect for annual periods beginning on or after 01.01.2022. It was not applicable to the group and the company.

«**Onerous Contracts – Cost of Fulfilling a Contract – Amendments to IAS 37 Provisions**». Issued in May 2020 with effect for annual periods beginning on or after 01.01.2022. It deals with the costs to be taken into account for the performance of contracts in order to be assessed whether they are burdensome. It was not applicable to the group and the company.

«**Property plant and equipment – Income from Sales of Goods before the Intended Use of Property plant and equipment – Amendments to IAS 16**». Issued in May 2020 with effect for annual periods beginning on or after 01.01.2022. It deals with the revenue and cost of goods, from their sale before property plant and equipment come into operation on the basis of their intended use. These revenues and costs are recognized as revenues and expenses and not as an increase in the cost of the relevant assets. It was not applicable to the group and the company.

«**Annual Improvements to Standards for the Period 2018-2020**». Issued in May 2020 with effect for annual periods beginning on or after 01.01.2022. It concerns various improvements in IFRS 1 «First time adoption of IFRS», IFRS 9 «Financial instruments», IFRS 16 «Leases» and IAS 41 «Agriculture». They were not applicable to the group and the company.

*New Standards and Interpretations Effective for Annual Periods Beginning after 01.01.2021.*

«**Amendment of IAS 1 in relation to the classification of liabilities as current or non-current**». It was approved in January 2020. It is effective for annual periods beginning on 01.01.2022 and has retrospective application in accordance with IAS 8. In July of 2020 its application was postponed for annual periods beginning on 01.01.2023. It is not expected to have any effect on the financial statements.

«**Amendments to IFRS 17 Insurance Contracts**». It was issued in October 2020 with effect for annual periods beginning on or after 01.01.2023 and includes extensive amendments to the existing standard. In July 2020, a single standard was consolidated and published with all its corrections. In December 2021, a new amendment was issued entitled "First-time Adoption of IFRS 17 and IFRS 9 - Comparative Information", which aims to restate the comparative information of financial items when IFRS 17 and IFRS 9 are applied at the same time on first-time adoption of IFRS 17. It does not apply to the group and the company.

«**Definition of accounting estimates – Amendments to IAS 8**». Issued in February 2021 with effect for annual periods beginning on or after 01.01.2023. It is not expected to have any effect on the financial statements.

«**Disclosure of accounting policies – Amendments to IAS 1 and The Statement of Practice 2**». Issued in February 2021 with effect for annual periods beginning on or after 01.01.2023. It is not expected to have any effect on the financial statements.

«**Deferred tax relating to assets and liabilities arising from a single transaction - amendment to IAS 12**». Issued in May 2021 with effect for annual periods beginning on or after 1.1.2023. This amendment clarifies that deferred tax is not recognized when an equal amount of taxable and deductible temporary difference arises on initial recognition of a transaction. It is not expected to have any effect on the financial statements.

## 6. Operating Segments (Sectors)

	<u>Vehicles Sector</u>	<u>Self-Propelled Machines Sector</u>	<u>Lubricants and Car Care Sector</u>	<u>Innovation Business Sector</u>	<u>Real Estate Sector</u>	<u>Other</u>	<u>Eliminations</u>	<u>Total</u>
	31/12/2022	31/12/2022	31/12/2022	31/12/2022	31/12/2022	31/12/2022	31/12/2022	31/12/2022
Sales to external customers	79.853.025,07	43.766.441,71	32.465.154,31	0,00	-	49.017,94	-	156.133.639,03
Cost of sales	(69.368.141,93)	(32.280.917,46)	(25.387.646,05)	0,00	-	(46.316,68)	-	(127.083.022,12)
<b>Gross profit</b>	10.484.883,14	11.485.524,25	7.077.508,26	0,00	-	2.701,26	-	29.050.616,91
Other income	849.491,25	96.165,08	1.554.658,30	109.278,85	270.311,76	428.063,08	(260.903,76)	3.047.064,56
Depreciation and amortization	(282.529,99)	(212.618,75)	(78.603,01)	(4.378,33)	(18.000,00)	(610.024,84)	0,00	(1.206.154,92)
Other expenses	(5.573.959,27)	(6.084.845,00)	(3.920.058,89)	(323.718,46)	(48.082,29)	(4.973.980,87)	(32.967,05)	(20.957.611,83)
Interest expense	(138.906,96)	(173.437,73)	(120.462,43)	(386,27)	(37,00)	(1.390.809,31)	293.870,81	(1.529.782,62)
Interest income	0,00	70.047,98	0,00	0,00	0,00	121.244,35	0,00	191.292,33
Intersegment charges	(1.220.307,30)	(1.700.199,29)	(552.280,41)	0,00	0,00	3.472.787,00	0,00	0,00
<b>Profit/loss before taxes</b>	4.118.670,87	3.480.636,54	3.960.761,82	(219.204,21)	204.192,47	(2.950.019,33)	0,00	8.595.038,16
Income tax								(2.052.473,01)
<b>Net profit</b>								6.542.565,15
	<b>31/12/2022</b>	<b>31/12/2022</b>	<b>31/12/2022</b>	<b>31/12/2022</b>	<b>31/12/2022</b>	<b>31/12/2022</b>	<b>31/12/2022</b>	<b>31/12/2022</b>
Segment assets	15.026.636,32	16.205.645,94	8.824.140,78	515.568,75	6.296.824,25	40.070.877,33	-	<b>86.939.693,37</b>
Segment liabilities	5.853.541,82	6.340.716,15	1.841.874,04	217,78	220.560,87	25.680.861,20		<b>39.937.771,86</b>
	<b>31/12/2022</b>	<b>31/12/2022</b>	<b>31/12/2022</b>	<b>31/12/2022</b>	<b>31/12/2022</b>	<b>31/12/2022</b>	<b>31/12/2022</b>	<b>31/12/2022</b>
Acquisition of property plan and equipment	370.982,99	42.964,62	3.955,00	91.368,43	0,00	297.381,62	-	<b>806.652,66</b>

	<u>Vehicles Sector</u>	<u>Self-Propelled Machines Sector</u>	<u>Lubricants and Car Care Sector</u>	<u>Innovation Business Sector</u>	<u>Real Estate Sector</u>	<u>Other</u>	<u>Eliminations</u>	<u>Total</u>
	31/12/2021	31/12/2021	31/12/2021	31/12/2021	31/12/2021	31/12/2021	31/12/2021	31/12/2021
Sales to external customers	83.234.747,62	48.272.887,27	24.234.255,69	0,00	-	17,69	-	155.741.908,27
Cost of sales	(74.273.189,75)	(35.441.177,89)	(19.069.398,53)	0,00	-	(15.837,01)	-	(128.799.603,18)
<b>Gross profit</b>	<b>8.961.557,87</b>	<b>12.831.709,38</b>	<b>5.164.857,16</b>	<b>0,00</b>	<b>-</b>	<b>(15.819,32)</b>	<b>-</b>	<b>26.942.305,09</b>
Other income	416.767,50	104.181,16	1.290.453,36	0,00	235.630,28	352.852,74	(226.116,60)	2.173.768,44
Depreciation and amortization	(239.288,38)	(190.645,45)	(68.406,45)	0,00	(18.000,00)	(520.661,96)	0,00	(1.037.002,24)
Other expenses	(3.959.385,26)	(5.717.548,43)	(3.470.404,89)	0,00	(56.104,77)	(4.052.407,16)	(100.813,21)	(17.356.663,72)
Interest expense	(112.913,88)	(331.844,16)	(98.738,22)	0,00	(38,40)	(759.050,95)	326.929,81	(975.655,80)
Interest income	0,00	22.756,63	1.551,73	0,00	2,18	118.974,01	0,00	143.284,55
Intersegment charges	(944.348,60)	(1.452.502,05)	(340.715,47)	0,00	0,00	2.737.566,12	0,00	0,00
<b>Profit/loss before taxes</b>	<b>4.122.389,25</b>	<b>5.266.107,08</b>	<b>2.478.597,22</b>	<b>0,00</b>	<b>161.489,29</b>	<b>(2.138.546,52)</b>	<b>0,00</b>	<b>9.890.036,32</b>
Income tax								(3.126.127,12)
<b>Net profit</b>								<b>6.763.909,20</b>
	<b>31/12/2021</b>	<b>31/12/2021</b>	<b>31/12/2021</b>	<b>31/12/2021</b>	<b>31/12/2021</b>	<b>31/12/2021</b>	<b>31/12/2021</b>	<b>31/12/2021</b>
Segment assets	13.298.167,50	14.284.983,97	6.592.214,09	0,00	5.983.220,47	39.011.998,09	-	<b>79.170.584,12</b>
Segment liabilities	4.387.993,75	3.300.142,02	2.743.702,96	0,00	167.407,36	26.224.226,87		<b>36.823.472,96</b>
	<b>31/12/2021</b>	<b>31/12/2021</b>	<b>31/12/2021</b>	<b>31/12/2021</b>	<b>31/12/2021</b>	<b>31/12/2021</b>	<b>31/12/2021</b>	<b>31/12/2021</b>
Acquisition of property plan and equipment	209.949,94	36.497,76	19.602,11	0,00	0,00	284.933,07	-	<b>550.982,88</b>



The breakdown of sales by geographical area, by product category and by time, is as follows:

<u>2022</u>	<u>Vehicles Sector</u>	<u>Self-Propelled Machines Sector</u>	<u>Lubricants and Car Care Sector</u>	<u>Innovation Business Sector</u>	<u>Real Estate Sector</u>	<u>Other</u>	<u>Eliminations</u>
Greece	75.204.986,46	42.738.325,74	30.577.315,40	0,00	0,00	49.017,94	148.569.645,54
Abroad	4.648.038,61	1.028.115,97	1.887.838,91	0,00	0,00	0,00	7.563.993,49
<b>Total</b>	<b>79.853.025,07</b>	<b>43.766.441,71</b>	<b>32.465.154,31</b>	<b>0,00</b>	<b>0,00</b>	<b>49.017,94</b>	<b>156.133.639,03</b>
Trucks and buses	21.197.367,31						21.197.367,31
Light trucks	7.444.901,22						7.444.901,22
Passenger cars	51.210.756,54						51.210.756,54
Engines and boats		7.272.764,92					7.272.764,92
Generators		10.843.812,32					10.843.812,32
Farm machineries		25.649.864,47					25.649.864,47
Industrial equipment			1.395.544,51				1.395.544,51
Batteries and accessories			3.802.440,23				3.802.440,23
Lubricants			27.267.169,57				27.267.169,57
Other						49.017,94	49.017,94
<b>Total</b>	<b>79.853.025,07</b>	<b>43.766.441,71</b>	<b>32.465.154,31</b>	<b>0,00</b>	<b>0,00</b>	<b>49.017,94</b>	<b>156.133.639,03</b>
At a point in time	79.853.025,07	41.047.216,40	32.465.154,31		0,00	49.017,94	153.414.413,72
Continuously	0,00	2.719.225,31					2.719.225,31
<b>Total</b>	<b>79.853.025,07</b>	<b>43.766.441,71</b>	<b>32.465.154,31</b>	<b>0,00</b>	<b>0,00</b>	<b>49.017,94</b>	<b>156.133.639,03</b>

<u>2021</u>	<u>Vehicles Sector</u>	<u>Self Propelled Machines Sector</u>	<u>Lubricants and Car Care Sector</u>	<u>Innovation Business Sector</u>	<u>Real Estate Sector</u>	<u>Other</u>	<u>Eliminations</u>
Greece	60.654.234,14	47.880.857,11	22.362.280,17	0,00	0,00	17,69	130.897.389,11
Abroad	22.580.513,48	392.030,16	1.871.975,52	0,00	0,00	0,00	24.844.519,16
<b>Total</b>	<b>83.234.747,62</b>	<b>48.272.887,27</b>	<b>24.234.255,69</b>	<b>0,00</b>	<b>0,00</b>	<b>17,69</b>	<b>155.741.908,27</b>
Trucks and buses	15.399.064,10						15.399.064,10
Light trucks	11.082.575,07						11.082.575,07
Passenger cars	56.753.108,45						56.753.108,45
Engines and boats		4.901.057,56					4.901.057,56
Generators		9.191.820,54					9.191.820,54
Farm machineries		34.180.009,17					34.180.009,17
Industrial equipment			814.393,07				814.393,07
Batteries and accessories			4.617.997,09				18.801.865,53
Lubricants			18.801.865,53				4.617.997,09
Other						17,69	17,69
<b>Total</b>	<b>83.234.747,62</b>	<b>48.272.887,27</b>	<b>24.234.255,69</b>	<b>0,00</b>	<b>0,00</b>	<b>17,69</b>	<b>155.741.908,27</b>
At a point in time	83.234.747,62	45.757.974,76	24.234.255,69			17,69	153.226.995,76
Continuously	0,00	2.514.912,51					2.514.912,51
<b>Total</b>	<b>83.234.747,62</b>	<b>48.272.887,27</b>	<b>24.234.255,69</b>	<b>0,00</b>	<b>0,00</b>	<b>17,69</b>	<b>155.741.908,27</b>

Internal charges relate to the charge of the sectors with imputed amounts, concerning mainly the cost of the capital employed, as well as the allocation of administrative expenses that are necessary to monitor the performance of the sectors by the management (these charges for financial statements purposes are eliminated).

All non-current assets of the Group are in Greece.

Group's and Company's exports amounted to € 7.563.993,49 in 2022 and € 24.844.519,16 in 2021. Their analysis is as follows:

	<b>2022</b>	<b>%</b>	<b>2021</b>	<b>%</b>
Sales to EE countries	5.386.896,49	71,22	22.651.508,78	91,17
Sales to other countries	2.177.097,00	28,78	2.193.010,38	8,83
Total	7.563.993,49	100,00	24.844.519,16	100,00

All other sales take place within the country.

## 7 Additional data and information on the financial statements

### 7.1 Property Plant and Equipment

Group	Property	Machines	Vehicles	Equipment	Total
<b>1.1.2021</b>					
Cost or fair value	14.582.518,81	1.185.455,63	2.076.602,24	3.317.385,41	21.161.962,09
Accumulated depreciation	(2.210.026,82)	(1.001.997,83)	(328.128,44)	(3.136.085,26)	(6.676.238,35)
<b>Net value</b>	<b>12.372.491,99</b>	<b>183.457,80</b>	<b>1.748.473,80</b>	<b>181.300,15</b>	<b>14.485.723,74</b>
<b>Movements in 2021</b>					
Balance at the beginning	12.372.491,99	183.457,80	1.748.473,80	181.300,15	14.485.723,74
Revaluation	0,00	0,00	0,00	0,00	0,00
Additions	50.812,38	23.101,40	170.932,59	143.465,58	388.311,95
Sales/transfers	0,00	0,00	(378.904,29)	(105.489,43)	(484.393,72)
Depreciation of the period	(187.918,17)	(25.536,91)	(336.190,50)	(36.625,04)	(586.270,62)
Depreciation of sold	0,00	0,00	0,00	0,00	0,00
<b>Net value</b>	<b>0,00</b>	<b>0,00</b>	<b>261.652,56</b>	<b>7.364,39</b>	<b>269.016,95</b>
	<b>12.235.386,20</b>	<b>181.022,29</b>	<b>1.465.964,16</b>	<b>190.015,65</b>	<b>14.072.388,30</b>
<b>31.12.2021</b>					
Cost or fair value					
Accumulated depreciation	14.633.331,19	1.208.557,03	1.868.630,54	3.355.361,56	21.065.880,32
<b>Net value</b>	<b>(2.397.944,99)</b>	<b>(1.027.534,74)</b>	<b>(402.666,38)</b>	<b>(3.165.345,91)</b>	<b>(6.993.492,02)</b>
	<b>12.235.386,20</b>	<b>181.022,29</b>	<b>1.465.964,16</b>	<b>190.015,65</b>	<b>14.072.388,30</b>
<b>Movements in 2022</b>					
Balance at the beginning					
Revaluation	12.235.386,20	181.022,29	1.465.964,16	190.015,65	14.072.388,30
Additions	(195.408,33)	0,00	0,00	0,00	(195.408,33)
Sales/transfers	52.607,77	91.528,30	186.137,32	142.734,65	473.008,04
Depreciation of the period	(284,21)	0,00	(348.611,80)	0,00	(348.896,01)
Revaluation of depreciated	(209.778,84)	(26.869,62)	(408.641,07)	(45.007,29)	(690.296,82)
Depreciation of sold	409.558,87	0,00	0,00	0,00	409.558,87
<b>Net value</b>	<b>41,87</b>	<b>0,00</b>	<b>120.826,38</b>	<b>0,00</b>	<b>120.868,25</b>
	<b>12.292.123,33</b>	<b>245.680,97</b>	<b>1.015.674,99</b>	<b>287.743,01</b>	<b>13.841.222,30</b>
<b>31.12.2022</b>					
Cost or fair value	14.490.246,42	1.300.085,33	1.706.156,06	3.498.096,21	20.994.584,02
Accumulated depreciation	(2.198.123,09)	(1.054.404,36)	(690.481,07)	(3.210.353,20)	(7.153.361,72)
<b>Net value</b>	<b>12.292.123,33</b>	<b>245.680,97</b>	<b>1.015.674,99</b>	<b>287.743,01</b>	<b>13.841.222,30</b>

<b>Company</b>	<b>Property</b>	<b>Machines</b>	<b>Vehicles</b>	<b>Equipment</b>	<b>Total</b>
<b>1.1.2021</b>					
Cost or fair value	10.082.518,81	1.164.537,04	2.076.602,24	3.317.385,41	16.641.043,50
Accumulated depreciation	(2.156.026,82)	(981.079,25)	(328.128,44)	(3.136.085,26)	(6.601.319,77)
<b>Net value</b>	<b>7.926.491,99</b>	<b>183.457,79</b>	<b>1.748.473,80</b>	<b>181.300,15</b>	<b>10.039.723,73</b>
<b>Movements in 2021</b>					
Balance at the beginning	7.926.491,99	183.457,79	1.748.473,80	181.300,15	10.039.723,73
Revaluation	0,00	0,00	0,00	0,00	0,00
Additions	50.812,38	23.101,40	170.932,59	143.465,58	388.311,95
Sales/transfers	0,00	0,00	(378.904,29)	(105.489,43)	(484.393,72)
Depreciation of the period	(169.918,17)	(25.536,91)	(336.190,50)	(36.625,04)	(568.270,62)
Depreciation of sold	0,00	0,00	0,00	0,00	0,00
<b>Net value</b>	<b>0,00</b>	<b>0,00</b>	<b>261.652,56</b>	<b>7.364,39</b>	<b>269.016,95</b>
	<b>7.807.386,20</b>	<b>181.022,28</b>	<b>1.465.964,16</b>	<b>190.015,65</b>	<b>9.644.388,29</b>
<b>31.12.2021</b>					
Cost or fair value	10.133.331,19	1.187.638,44	1.868.630,54	3.355.361,56	16.544.961,73
Accumulated depreciation	(2.325.944,99)	(1.006.616,16)	(402.666,38)	(3.165.345,91)	(6.900.573,44)
<b>Net value</b>	<b>7.807.386,20</b>	<b>181.022,28</b>	<b>1.465.964,16</b>	<b>190.015,65</b>	<b>9.644.388,29</b>
<b>Movements in 2022</b>					
Balance at the beginning	7.807.386,20	181.022,28	1.465.964,16	190.015,65	9.644.388,29
Revaluations	(235.408,33)	0,00	0,00	0,00	(235.408,33)
Additions	52.607,77	91.528,30	186.137,32	142.734,65	473.008,04
Sales/transfers	(284,21)	0,00	(348.611,80)	0,00	(348.896,01)
Depreciation of the period	(191.778,84)	(26.869,62)	(408.641,07)	(45.007,29)	(672.296,82)
Revaluation of depreciated	319.558,87	0,00	0,00	0,00	319.558,87
Depreciation of sold	41,87	0,00	120.826,38	0,00	120.868,25
<b>Net value</b>	<b>7.752.123,33</b>	<b>245.680,96</b>	<b>1.015.674,99</b>	<b>287.743,01</b>	<b>9.301.222,29</b>
<b>31.12.2022</b>					
Cost or fair value	9.950.246,42	1.279.166,74	1.706.156,06	3.498.096,21	16.433.665,43
Accumulated depreciation	(2.198.123,09)	(1.033.485,78)	(690.481,07)	(3.210.353,20)	(7.132.443,14)
<b>Net value</b>	<b>7.752.123,33</b>	<b>245.680,96</b>	<b>1.015.674,99</b>	<b>287.743,01</b>	<b>9.301.222,29</b>

There are no commitments or other legal weights on the assets of the company and the Group.

The fair value of the self-occupied property was determined by using the comparable method (fair value hierarchy level 3).

The range of benchmark prices before adjustments per square meter of land was €1.267 – 1.563/sqm for offices and €488 - 724/sqm for industrial buildings. The average of the above comparable is approximately 561 €/sqm for industrial buildings and 1.421 €/sqm for offices. The sale prices of land plots range from 656 to 700 €/sqm depending on the location and the surface area. The average of the above comparable is approximately 678 €/sqm.

The book value of property based on the cost of acquisition amounts to € 11.347.266,09 and € 11.684.018,59 for the Group, and € 7.702.133,22 and € 7.966.330,04 for the Company for the years 2022 and 2021 respectively.

## 7.2 Intangible assets

<b>Group</b>	<b>Software</b>	<b>Brand names</b>	<b>Clientele</b>	<b>Total</b>
<b>1.1.2021</b>				
Cost	1.835.187,65	3.712.053,61	578.443,01	6.125.684,27
Accumulated depreciation	(1.701.178,04)	(3.535.106,52)	(578.443,01)	(5.814.727,57)
<b>Net value</b>	<b>134.009,61</b>	<b>176.947,09</b>	<b>0,00</b>	<b>310.956,70</b>
<b>Movements in 2021</b>				
Balance at the beginning	134.009,61	176.947,09	0,00	310.956,70
Additions	162.670,93	0,00	0,00	162.670,93
Depreciation for the period	(63.734,25)	(58.982,36)	0,00	(122.716,61)
<b>Net value</b>	<b>232.946,29</b>	<b>117.964,73</b>	<b>0,00</b>	<b>350.911,02</b>
<b>31.12.2021</b>				
Cost	1.997.858,58	3.712.053,61	578.443,01	6.288.355,20
Accumulated depreciation	(1.764.912,29)	(3.594.088,88)	(578.443,01)	(5.937.444,18)
<b>Net value</b>	<b>232.946,29</b>	<b>117.964,73</b>	<b>0,00</b>	<b>350.911,02</b>
<b>Movements in 2022</b>				
Balance at the beginning	232.946,29	117.964,73	0,00	350.911,02
Additions	333.644,62	0,00	0,00	333.644,62
Depreciation for the period	(98.994,53)	(58.982,36)	0,00	(157.976,89)
<b>Net value</b>	<b>467.596,38</b>	<b>58.982,37</b>	<b>0,00</b>	<b>526.578,75</b>
<b>31.12.2022</b>				
Cost	2.331.503,20	3.712.053,61	578.443,01	6.621.999,82
Accumulated depreciation	(1.863.906,82)	(3.653.071,24)	(578.443,01)	(6.095.421,07)
<b>Net value</b>	<b>467.596,38</b>	<b>58.982,37</b>	<b>0,00</b>	<b>526.578,75</b>

<u>Company</u>	<u>Software</u>	<u>Brand names</u>	<u>Clientele</u>	<u>Total</u>
<b>1.1.2021</b>				
Cost	1.832.470,11	3.712.053,61	578.443,01	6.122.966,73
Accumulated depreciation	(1.698.648,01)	(3.535.106,52)	(578.443,01)	(5.812.197,54)
<b>Net value</b>	<b>133.822,10</b>	<b>176.947,09</b>	<b>0,00</b>	<b>310.769,19</b>
<b>Movements in 2021</b>				
Balance at the beginning	133.822,10	176.947,09	0,00	310.769,19
Additions	162.670,93	0,00	0,00	162.670,93
Depreciation for the period	(63.546,74)	(58.982,36)	0,00	(122.529,10)
<b>Net value</b>	<b>232.946,29</b>	<b>117.964,73</b>	<b>0,00</b>	<b>350.911,02</b>
<b>31.12.2021</b>				
Cost	1.995.141,04	3.712.053,61	578.443,01	6.285.637,66
Accumulated depreciation	(1.762.194,75)	(3.594.088,88)	(578.443,01)	(5.934.726,64)
<b>Net value</b>	<b>232.946,29</b>	<b>117.964,73</b>	<b>0,00</b>	<b>350.911,02</b>
<b>Movements in 2022</b>				
Balance at the beginning	232.946,29	117.964,73	0,00	350.911,02
Additions	333.644,62	0,00	0,00	333.644,62
Depreciation for the period	(98.994,53)	(58.982,36)	0,00	(157.976,89)
<b>Net value</b>	<b>467.596,38</b>	<b>58.982,37</b>	<b>0,00</b>	<b>526.578,75</b>
<b>31.12.2022</b>				
Cost	2.328.785,66	3.712.053,61	578.443,01	6.619.282,28
Accumulated depreciation	(1.861.189,28)	(3.653.071,24)	(578.443,01)	(6.092.703,53)
<b>Net value</b>	<b>467.596,38</b>	<b>58.982,37</b>	<b>0,00</b>	<b>526.578,75</b>

### 7.3 Right of use assets

The company's rights to use assets and the corresponding lease liabilities concern leases of property of euros 3.452.612,59 (initial capital of euros 4.407.557,43 and vehicles of euros 333.763,66 (initial capital of euros 563.134,94).

The depreciation recognized in the year on these rights amounts to euros 477.472,42 for property and euros 129.618,74 for vehicles.

Interest expense amounted to euros 25.923,08 for the liabilities from property leases and euros 10.495,71 for the liabilities from vehicles.

The repayments made in the year (rentals paid) amounted to euros 475.706,68 for property and euros 147.627,11 for vehicles.

For the Group, the relevant amounts are reduced, as a significant part of the leased properties are properties of the subsidiary leased from the parent company.

The net amount of the Group's property leases amounts to euros 3.203.402,64, the depreciation expense recognized in the year amounts to euros 249.209,95, the interest expense on the liability in the year amounts to euros 11.768,37 and the rentals paid in the year amount to euros 249.135,39.

#### 7.4 Interests in subsidiaries

The company has interests in the following companies:

	<u>2022</u>	<u>2021</u>	<u>Participation</u>
AEGEM AE	4.433.237,50	4.433.237,50	100,00%
PETROMOTOR BULGARIA EOOD	250.072,86	250.072,86	100,00%
	<u><b>4.683.310,36</b></u>	<u><b>4.683.310,36</b></u>	

#### 7.5 Trade receivables (Long term)

Long term trade receivables presented in the financial statements are analyzed 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>
Long term bills receivable	519.695,96	552.181,20	519.695,96	552.181,20
Not accrued interest	-58.700,72	-65.798,34	-58.700,72	-65.798,34
	<u><b>460.995,24</b></u>	<u><b>486.382,86</b></u>	<u><b>460.995,24</b></u>	<u><b>486.382,86</b></u>

Bills receivables are measured at amortized cost, by using the effective interest rate method. The annual effective interest rate is 6,0%.

#### 7.6 Other long-term receivables

Other long-term receivables presented in the financial statements are analyzed 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>
Guarantees given	169.265,00	93.727,00	169.265,00	93.727,00
	<u><b>169.265,00</b></u>	<u><b>93.727,00</b></u>	<u><b>169.265,00</b></u>	<u><b>93.727,00</b></u>



## 7.7 Inventory

Inventory presented in the financial statements are analyzed 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>
Merchandise	21.877.737,89	17.349.183,48	21.877.737,89	17.349.183,48
Self-constructed products	111.705,79	48.466,52	111.705,79	48.466,52
Production in progress	1.836.577,02	1.257.897,95	1.836.577,02	1.257.897,95
Raw materials	1.503.372,43	1.341.528,19	1.503.372,43	1.341.528,19
	<b><u>25.329.393,13</u></b>	<b><u>19.997.076,14</u></b>	<b><u>25.329.393,13</u></b>	<b><u>19.997.076,14</u></b>

A write down of 59.575,84 euros was recognized as expense in the income statement of the year 2022, (the amount for 2021 was 75.519,52 euros).

## 7.8 Trade receivables (short term)

Short term receivables presented in the financial statements are analyzed 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>
Receivables (open balances)	13.574.544,27	13.917.576,18	13.527.299,22	13.847.485,88
Short term bill receivables	3.225.003,81	4.379.066,09	3.225.003,81	4.379.066,09
Non accrued interest	-67.877,35	-88.966,95	-67.877,35	-88.966,95
Receivables (postdated checks)	6.783.986,61	3.926.546,66	6.783.986,61	3.926.546,66
Doubtful receivables from customers	2.675.896,20	2.678.392,71	2.675.896,20	2.678.392,71
Doubtful bill receivables	729.753,73	458.921,06	729.753,73	458.921,06
Checks on Delay	4.000,00	0,00	4.000,00	0,00
Impairment of receivables	-2.281.301,95	-2.244.342,83	-2.260.424,45	-2.223.160,33
	<b><u>24.644.005,32</u></b>	<b><u>23.027.192,92</u></b>	<b><u>24.617.637,77</u></b>	<b><u>22.978.285,12</u></b>

The company and the group have applied the simplified approach of IFRS 9, on the basis of which the contra account of the expected credit losses from customer receivables is determined in the amount resulting from the total maturity of the receivables.

For the purposes of determining these losses, the following table of chronological analysis and rates which developed by using historical data and reasonable future prospects, has been used. The expected credit losses for the period 01.01.2022 - 31.12.2022 amounted to € 537.501,21 for the Group and € 537.806,21 for the Company and were recognized as expenses in the period.

Impairment of receivables from customers

<b>Group</b>								
31/12/2021	<u>Without delay</u>	<u>1-30 days</u>	<u>31-60 days</u>	<u>61-90 days</u>	<u>91-180 days</u>	<u>Beyond 180 days</u>		<u>Total</u>
Receivables	20.292.898,83	897.858,81	270.645,09	364.836,81	862.443,70	3.224.000,66		25.912.683,90
Percentage of losses	0,10%	0,50%	2,00%	3,00%	5,00%	67,00%		
	20.292,90	4.489,29	5.412,90	10.945,10	43.122,19	2.160.080,44		2.244.342,83
Accumulated impairment at 01.01.2021								-2.710.736,53
Derecognitions in 2021								794.463,76
<b>Impairment of 2021</b>								<b>328.070,06</b>

31/12/2022	<u>Without delay</u>	<u>1-30 days</u>	<u>31-60 days</u>	<u>61-90 days</u>	<u>91-180 days</u>	<u>Beyond 180 days</u>		<u>Total</u>
Receivables	21.373.554,95	889.713,87	729.576,53	586.380,35	664.922,37	3.268.732,51		27.512.880,58
Percentage of losses	0,10%	0,50%	2,00%	3,00%	5,00%	67,00%		
	21.373,55	4.448,57	14.591,53	17.591,41	33.246,12	2.190.050,76		2.281.301,95
Accumulated impairment at 01.01.2022								-2.244.342,83
Derecognitions in 2022								500.542,09
<b>Impairment of 2022</b>								<b>537.501,21</b>

<b>Company</b>								
31/12/2021	<u>Without delay</u>	<u>1-30 days</u>	<u>31-60 days</u>	<u>61-90 days</u>	<u>91-180 days</u>	<u>Beyond 180 days</u>		<u>Total</u>
Receivables	20.254.366,68	897.858,81	270.645,09	364.836,81	862.443,70	3.192.442,51		25.842.593,60
Percentage of losses	0,10%	0,50%	2,00%	3,00%	5,00%	67,00%		
	20.254,37	4.489,29	5.412,90	10.945,10	43.122,18	2.138.936,48		2.223.160,33
Accumulated impairment at 01.01.2021								-2.710.680,89
Derecognitions in 2021								794.463,76
<b>Impairment of 2021</b>								<b>306.943,20</b>

31/12/2022	<u>Without delay</u>	<u>1-30 days</u>	<u>31-60 days</u>	<u>61-90 days</u>	<u>91-180 days</u>	<u>Beyond 180 days</u>		<u>Total</u>
Receivables	21.357.446,33	889.713,87	729.576,53	586.380,35	664.922,37	3.237.596,08		27.465.635,53
Percentage of losses	0,10%	0,50%	2,00%	3,00%	5,00%	67,00%		
	21.357,45	4.448,57	14.591,53	17.591,41	33.246,12	2.169.189,37		2.260.424,45
Accumulated impairment at 01.01.2022								-2.223.160,33
Derecognitions in 2022								500.542,09
<b>Impairment of 2022</b>								<b>537.806,21</b>

Impairment of receivables is analyzed as follows:

	<u>Group</u>	<u>Company</u>
<b>Balance at 01.01.2021</b>	<b>2.710.736,53</b>	<b>2.710.680,89</b>
Impairment in year 2021	328.070,06	306.943,20
Derecognized amounts in 2021	-794.463,76	-794.463,76
<b>Balance at 31.12.2021</b>	<b>2.244.342,83</b>	<b>2.223.160,33</b>
Impairment in year 2022	537.501,21	537.806,21
Derecognized amounts in 2022	-500.542,09	-500.542,09
<b>Balance at 31.12.2022</b>	<b>2.281.301,95</b>	<b>2.260.424,45</b>

The average credit period provided to customers by the company amounted to 57 days versus 53 days in 2021. Credit limits exist for all customers, based on the approved limits of the management which are addressed on an ongoing basis in order to meet the relevant market conditions.

The Company has a wide sales dispersion so there are no significant concentrations of credit risk.

Impairment of receivables is recognized on the basis of whether there is an objective indication that the Group and the company will not receive all amounts in accordance with the original terms of the sales contracts.

Indications of non-collectability constitute the significant financial difficulties of the debtors and the delay of receipt beyond the credit limit. The amount of impairment is the difference between the carrying amount of receivables and the estimated cash flows that will be collected. The carrying amount of the receivables is reduced through a contra account, by recognizing the decrease in the item "other expenses" of the income statement. Subsequent recoveries on impaired amounts are recognized as income in the item "other income" of the income statement.

The Group and the company are not exposed to currency risk because all sales are made in euros. The guarantees received by the company from customers to ensure goods sold amounted to €1.453.050,89 and €1.702.063,69 for the years 2022 and 2021 respectively.

The company transferred on 31.12.2022 receivables of € 3.416.804,70 to factoring companies. Amount of €2.373.596,00 out of this (69,5%) is without recourse, so it has been derecognized from the receivables and so any loss will not burden the Company, but the factoring companies.

The fair value of the receivables does not differ substantially from their accounting values.

The maximum exposure to credit risk from the receivables, without taking into account credit guarantees and collaterals, coincides with their book value.

## 7.9 Other receivables

Other receivables presented in the financial statements are analyzed 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>
Other debtors	102.924,52	96.356,75	102.924,52	96.356,75
Prepayments to vendors	6.514.722,18	2.751.284,14	6.514.722,18	2.751.284,14
Various prepayments	-6.773,76	-110.949,83	-6.773,76	-110.949,83
Accrued expenses	817.587,60	1.248.351,27	817.587,60	1.248.351,27
Other	8.355,43	10.282,39	1.141,00	1.141,00
	<b><u>7.436.815,97</u></b>	<b><u>3.995.324,72</u></b>	<b><u>7.429.601,54</u></b>	<b><u>3.986.183,33</u></b>

## 7.10 Cash and cash equivalents

Cash equivalents presented in the financial statements are analyzed 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>
Cash	72.342,75	17.175,68	71.473,07	16.306,00
Bank deposits	10.517.091,56	15.842.683,60	10.095.496,01	15.575.960,33
	<b>10.589.434,31</b>	<b>15.859.859,28</b>	<b>10.166.969,08</b>	<b>15.592.266,33</b>

The maximum exposure to credit risk coincides with the book values.

## 7.11 Long term borrowings

Long term borrowings presented in the financial statements are analyzed as follows:

	<u>Group</u>				<u>Company</u>			
	<u>31/12/2022</u>	<u>interest</u>	<u>31/12/2021</u>	<u>interest</u>	<u>31/12/2022</u>	<u>interest</u>	<u>31/12/2021</u>	<u>interest</u>
1 to 5 years	4.875.000	4,262%	9.725.000	2,247%	4.875.000	4.262%	9.725.000	2,247%

The Group's and Company's long-term loans are free collateral.

Given that the loans bear floating rates, their fair values are about the same as the book values.

The amounts payable, including interest, 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>
1 to 5 years	5.106.325,83	10.036.722,92	5.106.325,83	10.036.722,92

## 7.12 Deferred taxes

Deferred tax assets that result from temporary tax differences are analyzed 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>
Intangible assets	-9.770,02	-20.494,57	-9.770,02	-20.494,57
Property plant and equipment	-203.849,93	-118.935,81	-6.979,16	37.332,71

Provisions for staff retirement	128.348,95	148.062,72	128.348,95	148.062,72
Other liabilities	88.000,00	0,00	88.000,00	0,00
Long term liabilities	12.914,16	14.475,63	12.914,16	14.475,63
Impairment of receivables	366.073,89	265.002,35	363.986,32	262.884,38
Deferred tax on Landini liability	23.100,00	29.555,49	23.100,00	29.555,49
<b>Total</b>	<b>404.817,05</b>	<b>317.665,81</b>	<b>599.600,25</b>	<b>471.816,36</b>

Deferred taxes are calculated for each individual company of the Group.

The reconciliation of deferred taxes has as follows:

	<u>Group</u>	<u>Company</u>
<b>Balance at 01.01.2021</b>	<b>330.355,48</b>	<b>487.736,86</b>
Income tax recognized in the income statement	-25.384,10	-13.381,84
Income tax recognized in other comprehensive income	12.694,43	-2.538,66
<b>Balance at 31.12.2021</b>	<b>317.665,81</b>	<b>471.816,36</b>
Income tax recognized in the income statement	152.972,24	165.004,89
Income tax recognized in other comprehensive income	-65.821,00	-37.221,00
<b>Balance at 31.12.2022</b>	<b>404.817,05</b>	<b>599.600,25</b>

### 7.13 Staff retirement provisions

Staff retirement provisions presented in the financial statements is analyzed as follows:

	<u>Group</u>	<u>Company</u>
Balance at 01.01.2021	<b>664.022,65</b>	<b>664.022,65</b>
Current service cost of 2021	67.925,01	67.925,01
Curtailments/settlements	-4.127,71	-4.127,71
Interest of 2021	1.328,05	1.328,05
Termination benefits	49.988,64	49.988,64
Actuarial (gains)/losses	11.315,06	11.315,06
Benefits paid	-117.439,34	-
Balance at 31.12.2021	<b>673.012,36</b>	<b>673.012,36</b>
Current service cost of 2022	77.023,02	77.023,02
Curtailments/settlements	4.395,67	4.395,67

Interest of 2022	4.038,07	4.038,07
Termination benefits	239.129,08	239.129,08
Actuarial (gains)/losses	-85.035,81	-85.035,81
Benefits paid	-329.158,03	329.158,03
Balance at 31.12.2022	<b>583.404,36</b>	<b>583.404,36</b>

The main actuarial assumptions used are:

1. Average annual rate of long-term inflation growth		2,20%
2. Increase in annual salaries (long-term)	Company/subsidiaries	2,20%
3. Discount rate	Company/subsidiaries	4,40%
4. Plan assets		0,00
5. Accounting Standard	IAS 19	
6. Measurement date	31.12.2022	
7. Staff turnover	α) Voluntary withdrawal Company/subsidiaries	0% - 2%
	β) Dismissal Company/subsidiaries	0% - 1%
8. Conditions of normal retirement age: In accordance with the statutory provisions and the Principal Insurance Fund of each employee. (Law 3863/2010, Law 4093/2012 and Law 4387/2016)		

The staff retirement liability would increase by 2,1% if the discount rate decreased by 0,5% and would be reduced by 2,0% if the discount rate increased by 0,5%.

#### 7.14 Other long-term liabilities

Other long-term liabilities presented in the financial statements are analyzed 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>
PANERGON A.E.	105.000,00	134.343,13	105.000,00	134.343,13
Internal bond	1.099.600,00	815.000,00	1.099.600,00	815.000,00
Reimbursable Advance	350.000,00	350.000,00	350.000,00	350.000,00
	<b>1.554.600,00</b>	<b>1.299.343,13</b>	<b>1.554.600,00</b>	<b>1.299.343,13</b>

Under the fixed policy of the company, Business Units' Managers are urged to invest in the form of a loan (internal bond) in the activities and results of the units that they manage. The invested funds remain in the

business unit for at least three years, and so the managers participate in the profits or losses of their business units.

The annual return of these funds is based on the formula:  $\text{Loan} * R$

Where:  $R = [OP - G - \{ (1 - E) * K * n \}] / E * K$

- OP = Unit's operating profit
- G = General expenses of the company attributable to the unit on the basis of annual budget.
- E = Equity to total capital ratio, that is determined to 40%.
- K = Average of immediately employed funds in the Unit, as defined above.
- n = The actual cost of all immediately employed by the unit funds (K above), as calculated by the company, expressed as annual percentage.

The return (interest) of the invested funds is recognized in the income statement of the period.

### 7.15 Short term borrowings

Short term borrowings presented in the financial statements are analyzed 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>
Short term borrowings	2.000.000,74	0,00	2.000.000,74	0,00
Short term part of long-term liabilities	2.750.000,00	3.475.000,00	2.750.000,00	3.475.000,00

Interest rates range from 1,25% to 4,88% for short-term loans and from 3,78% to 4,90% for the short-term part of long-term loans respectively. The duration of these loans is mainly quarterly. The group's and company's short-term loans are free of any collateral. The fair values of the loans are about their book values. Short-term loans are renewed at the end of the interest period, and therefore only their interest is paid. The interest payable in the year 2023 for all short-term loans is estimated at approximately € 150.000,00.

### 7.16 Trade and other short-term liabilities

Trade and other short-term liabilities are analyzed 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>
Foreign suppliers	11.133.300,65	11.008.128,42	11.123.796,56	10.992.498,27
Domestic suppliers	3.553.819,51	4.092.827,12	5.252.181,12	5.609.431,21
Customers' prepayments	5.785.836,30	3.117.122,57	5.785.836,30	3.117.122,57
Post dated checks payable	97.847,51	100.658,74	97.847,51	100.658,74
Taxes payable (except income)	1.132.556,94	228.202,04	1.122.825,78	218.623,20

taxes)				
Social security organizations	314.593,00	302.182,14	314.593,00	302.182,14
Dividends payable	24.131,12	21.625,66	24.131,12	21.625,66
Sundry creditors	245.435,01	137.486,86	245.332,75	137.384,60
Accrued expenses (1)	1.322.761,50	460.116,27	1.322.761,50	460.116,27
	<b>23.610.281,54</b>	<b>19.468.349,82</b>	<b>25.289.305,64</b>	<b>20.959.642,66</b>

Most liabilities to foreign suppliers are denominated in euros. All above liabilities are payable on average within 2 months of the balance sheet date.

Fair values of liabilities are about their book values.

(1) Accrued expenses are analyzed 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>
Interest	400.000,00	320.621,77	400.000,00	320.621,77
Employee benefits	400.000,00	0,00	400.000,00	0,00
Purchases under arrangement	160.824,07	0,00	160.824,07	0,00
Other	361.937,43	139.494,50	361.937,43	139.494,50
	<b>1.322.761,50</b>	<b>460.116,27</b>	<b>1.322.761,50</b>	<b>460.116,27</b>

## 7.17 Share capital

The share capital of the Company amounts to € 6.575.472,00, divided into 7.070.400,00 common shares of nominal value € 0.93 each. Share premium per share amounts to € 0,021. The shares of PETROS PETROPOULOS AEBE are listed on the Athens Stock Exchange. All shares have the right to vote and participate in the profits.

## 7.18 Reserves

Reserves presented in the financial statements are analyzed 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>
Share premium	148.782,35	148.782,35	148.782,35	148.782,35
Property's revaluation reserve	2.775.141,59	2.608.104,17	2.034.389,45	1.968.752,03
Legal reserve	3.111.095,40	3.105.270,61	2.949.771,71	2.949.771,71
Extraordinary reserve	2.231.565,20	2.231.565,20	2.231.565,20	2.231.565,20
Tax free reserves	931.770,62	931.770,62	926.271,01	926.271,01
Treasury shares	-2.411.090,65	-2.411.090,65	-2.411.090,65	-



				2.411.090,65
Sundry	6.268,91	6.268,91	2.389,05	2.389,05
	<b>6.793.533,42</b>	<b>6.620.671,21</b>	<b>5.882.078,12</b>	<b>5.816.440,70</b>

The extraordinary reserve is taxed and therefore is assimilated to retained earnings. It has been formed for capital appreciation and may be distributed by decision of the General Assembly of Shareholders. Reserves of € 148.782,35 (share premium reserves) can be capitalized without paying any income tax.

Treasury shares reserve as at 31.12.2022 concerns own shares held and gain from disposal of own shares.

### 7.18.1 Capital management

- a) The Company's policy is to maintain a strong capital base in order to have confidence from investors and creditors and to support its future growth. The management monitors employed capital as a whole, so that the ratio of equity to total equity and liabilities to be 40%. Occasionally and in times of low stock prices and the existence of cash availability, treasury shares are purchased for the purpose of selling them during periods of increase in price for further equity reinforcement.
- b) In accordance with law 4548/2018, there are some restrictions concerning equity as follows:
- Acquisition of treasury shares, except the acquisition for distribution to employees, shall not exceed 10% of the paid-up share capital and shall not result in a reduction of equity below the amount of the share capital plus the reserves that are prohibited to be distributed by law.
  - In case the total equity of the Company becomes less than ½ of the share capital, the Board of Directors is obliged to convene the General Assembly, within six months after the end of the year, to decide the dissolution of the Company or the adoption of other measure.
  - Annually, at least 1/20 of net earnings is deducted to form the legal reserve, which is used exclusively to equalize, prior to any dividend distribution, any debit balance of the retained earnings. The formation of this reserve becomes optional when it reaches 1/3 of the share capital.
  - The payment of an annual dividend to shareholders in cash equal to at least 35% of net profits after deduction of the statutory reserve and the net result from the measurement of assets and liabilities at fair value is mandatory. Additional dividends can be decided by the general assembly. Dividend is entitled to any shareholder who is listed in the Company's shareholder register at the date the dividend beneficiaries are identified. The right to receive the dividend is expired and the corresponding amount falls to the State Treasury after 5 years from the end of the year in which the General Assembly approved its distribution. The minimum rate (35%) may be reduced to 10% by decision of the General Assembly, which is taken by an increased quorum and majority, ie shareholders representing ½ of the paid-up capital, and a decision to be taken by a two-thirds majority of the votes represented in the meeting. The distribution of the minimum dividend may be abolished by decision of the General Assembly, which is taken by an increased quorum ie shareholders representing ½ of the paid-up capital and the decision to be taken by a majority of 80% of the votes represented in the meeting.

d) The Company complies fully with the relevant provisions imposed by the legislation in relation to equity.

## 7.19 Sales / Cost of sales

Sales and cost of sales are analyzed per segment of activity in note 6.

## 7.20 Expenses (Administrative / Selling / Production)

Expenses presented in the financial statements are analyzed 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>
Employee benefits	9.578.154,88	7.792.739,21	9.578.154,88	7.792.739,21
Staff retirement benefits	329.158,03	117.439,34	329.158,03	117.439,34
<u>Other third-party fees</u>				
Sales commissions	1.575.150,17	1.852.061,59	1.575.150,17	1.852.061,59
Third party processing fees	122.608,13	106.802,10	122.483,13	106.802,10
Sundry	727.044,46	961.454,59	716.941,37	938.126,41
<u>Facilities</u>				
Telecommunications	248.052,90	225.031,46	248.052,90	225.031,46
Rentals	14.898,93	14.242,89	14.898,93	-20.544,27
Insurance premiums	319.094,78	227.922,92	319.094,78	227.922,92
Depot charges	458.558,82	276.371,09	458.558,82	276.371,09
Repairs and maintenance	351.461,71	275.510,93	351.461,71	275.510,93
Sundry	269.407,07	255.069,19	269.407,07	255.069,19
<u>Taxes – duties</u>	342.486,51	356.365,05	298.131,58	310.365,33
<u>Sundry expenses</u>				
Transportation	1.829.575,36	1.834.581,02	1.829.575,36	1.834.581,02
Travel expenses	283.754,16	163.663,53	283.754,16	163.663,53
Advertising expenses	1.585.653,22	922.565,45	1.585.653,22	922.565,45
Exhibition expenses	1.007.827,22	216.058,20	1.007.827,22	216.058,20
Subscriptions	533.961,11	314.130,54	533.961,11	314.130,54
Other	446.715,00	468.636,45	446.390,97	468.586,45
<u>Finance costs of administration and selling</u>	282.102,44	315.236,00	282.102,44	326.929,81
<u>Depreciation and amortization</u>	1.206.229,48	1.037.002,24	1.437.364,87	1.268.024,68
	<b><u>21.511.894,38</u></b>	<b><u>17.732.883,79</u></b>	<b><u>21.688.122,72</u></b>	<b><u>17.871.434,98</u></b>

The above expenses are allocated to:

	<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>
Administrative expenses	4.643.523,25	3.795.589,68	4.819.751,59	3.934.140,87
Selling expenses	16.726.800,91	13.804.882,91	16.726.800,91	13.804.882,91
Production expenses	141.570,22	132.411,20	141.570,22	132.411,20
	<b>21.511.894,38</b>	<b>17.732.883,79</b>	<b>21.688.122,72</b>	<b>17.871.434,98</b>

The total number of employees at the end of the years 2022 and 2021 were:

<u>2022</u>	<u>2021</u>
Group: 178 employees	Group: 166 employees
Company: 178 employees	Company: 166 employees

## 7.21 Other revenue

Other revenue presented in the financial statements are analyzed 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>
Grants (Training programs)	15.666,34	1.742,25	15.666,34	1.742,25
Commissions	106.054,90	43.057,31	6.752,63	0,00
Rentals	308.848,83	287.135,16	299.440,83	277.727,16
Received shipping expenses	87.534,82	489.647,84	87.534,82	489.647,84
Received expenses sundry	2.258.774,74	1.200.966,95	2.258.774,74	1.200.966,95
Gains on disposal of assets	183.080,44	99.267,76	183.080,44	99.267,76
Exchange differences	83.604,84	33.601,82	83.604,84	33.601,82
Sundry revenue	3.499,65	18.349,35	3.499,65	18.243,67
	<b>3.047.064,56</b>	<b>2.173.768,44</b>	<b>2.938.354,29</b>	<b>2.121.197,45</b>

## 7.22 Other expenses

Other expenses presented in the financial statements 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>
Impairment of receivables	537.806,21	328.075,74	537.806,21	306.943,20
Exchange differences	72.472,36	35.404,25	72.472,36	35.404,25
Losses on disposal of fixed assets	3.899,86	93.422,77	3.899,86	93.422,77
Sundry expenses	179.264,16	336.290,61	178.263,83	334.169,32
	<b>793.442,59</b>	<b>793.193,37</b>	<b>792.442,26</b>	<b>769.939,54</b>

### 7.23 Finance income

Finance income presented in the financial statements is analyzed 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>
Bill receivables' accrued interest	99.790,18	110.682,17	99.790,18	110.682,17
Other interest income	91.502,15	32.602,38	91.502,15	32.600,18
	<b>191.292,33</b>	<b>143.284,55</b>	<b>191.292,33</b>	<b>143.282,35</b>

### 7.24 Finance expenses

Finance expenses presented in the financial statements are analyzed 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>
Long term loans' interest	244.949,98	319.199,28	244.949,98	319.199,28
Short term loans' interest	21.768,85	64.427,09	21.768,85	64.427,09
Other short term liabilities interest	1.108.057,73	408.286,78	1.108.057,73	408.286,78
Cost of factoring	137.746,14	96.207,80	137.746,14	96.207,80
Other financing expenses	17.646,19	87.534,85	29.081,01	87.094,37
	<b>1.530.168,89</b>	<b>975.655,80</b>	<b>1.541.603,71</b>	<b>975.215,32</b>

### 7.25 Income tax

Income tax expense is analyzed 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>
Current income tax	-2.205.445,25	2.294.294,39	-2.170.177,22	-2.265.535,35
Additional income tax from tax from inspection of years 2017-2019	0,00	-806.077,29	0,00	-806.077,29
Deferred tax	152.972,24	-25.755,44	165.004,89	-15.871,15
	<b>-2.052.473,01</b>	<b>-3.126.127,12</b>	<b>-2.005.172,33</b>	<b>-3.087.483,79</b>

Income tax expense differs from the theoretical income tax resulting by the application of nominal tax rate on the profit of the year. The difference is explained 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>
Profit before tax	8.595.038,16	9.890.036,32	8.268.809,96	9.680.719,28
Tax rate	22%	22%	22%	22%
Income tax on the basis of tax rate	-1.890.908,40	-2.175.807,99	-1.819.138,19	-2.129.758,24
Tax rate difference	0,00	-2.341,40	0,00	-1.442,83
Additional tax from the tax inspection of years 2017-2019	0,00	-806.077,29	0,00	-806.077,29
Tax on nondeductible expenses	-161.564,62	-141.900,44	-186.034,14	-150.205,43
	<b>-2.052.473,01</b>	<b>-3.126.127,12</b>	<b>-2.005.172,33</b>	<b>-3.087.483,79</b>

The affairs of tax years up to 2019 of the parent company, have been inspected by tax authorities.

## 7.26 Earnings per share

### Basic

Basic earnings per share are calculated by dividing the profit attributable to the parent's shareholders by the weighted average number of ordinary shares during the period, excluding the ordinary shares purchased by the company (treasury shares).

	<u>Group</u>	
	<u>31/12/2022</u>	<u>31/12/2021</u>
Profit after tax	6.542.565,15	6.763.909,20
Weighted average number of shares	6.543.079	6.543.079
<b>Basic earnings per share</b>	<b>0,9999</b>	<b>1,0338</b>

## 7.27 Related party transactions

### a) intragroup transactions

	<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>
Purchases of services from subsidiaries			260.903,76	226.116,60
Liabilities to subsidiaries			1.698.361,61	1.518.164,09
Key management personnel fees	1.781.308,73	1.064.860,74	1.781.308,73	1.064.860,74
Liabilities to key management personnel	1.899.600,00	815.000,00	1.899.600,00	815.000,00

Key management personnel fees concern short-term benefits of euros 1.189.907,27 and post-exit benefits of euros 32.200,00.

a) Other related party transactions

	<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>
Purchases of goods	0,00	6.370,00	0,00	6.370,00
Rendering of services	5.034,71	4.159,26	5.034,71	4.159,26
Purchases of services	91.752,00	94.752,00	91.752,00	94.752,00
Liabilities to other related parties	213.408,66	215.182,67	213.408,66	215.182,67

The company carries out its transactions with related parties in the course of its business and in an arms' length basis.

### 7.28 Guarantees

The Company has given letters of guarantee (participation, good execution, advance payment, payment) to third parties amounting to € 14.853.270,18 and has received letters of guarantee for securing customers' receivables amounting to € 708.000,00. No charges are expected from the guarantees given.

### 7.29 Contingencies

There is no litigation against the Company or its subsidiaries.

### 7.30 Events after the reporting date

PETROS PETROPOULOS SA is the importer of KTM, Husqvarna and GasGas motorcycles for the Greek market from the 15th of March 2023, following an agreement signed with the respective companies, members of the PIERER Mobility AG Group, which is one of the leading manufacturers of motorcycles in Europe. This activity will be integrated into the Light Commercial and Passenger Vehicles Sector.

The global banking crisis, which occurred in mid-March 2023, is not expected to affect the company and the group, given the low bank lending and the company's lack of exposure to products affected by this crisis.

Apart from the events already mentioned, there are no other events after the balance sheet of 31.12.2022, which concern either the Group or the Company.

### 7.31 Sensitivity analysis

The table below presents and analyzes the sensitivity of the profit due to the interest rate risk.

The Group and the Company are exposed to interest rate risk from variable interest rate loans affecting the profit of the income statement. The sensitivity analysis assumes a parallel change in interest rates of +/- 50bps which management believes is reasonable. The table shows the effect to the income statement.

<u>Group 2021</u>		<u>Interest rate risk</u>		
<b>Accounts</b>	<b><u>Book value</u></b>	<b><u>+50 bps</u></b>	<b><u>-50 bps</u></b>	
Long term loans (Profit effect)	9.725.000,00	-48.625,00	48.625,00	
Short term loans (Profit effect)	3.475.000,00	-17.375,00	17.375,00	
Income tax (24%)	-	14.520,00	-14.520,00	
<b>Net effect</b>		<b>-51.480,00</b>	<b>51.480,00</b>	
<u>Company 2021</u>		<u>Interest rate risk</u>		
<b>Accounts</b>	<b><u>Book value</u></b>	<b><u>+50 M.B.</u></b>	<b><u>- 50 M.B.</u></b>	
Long term loans (Profit effect)	9.725.000,00	-48.625,00	48.625,00	
Short term loans (Profit effect)	3.475.000,00	-17.375,00	17.375,00	
Income tax (24%)	-	14.520,00	-14.520,00	
<b>Net effect</b>		<b>-51.480,00</b>	<b>51.480,00</b>	
<u>Group 2022</u>		<u>Interest rate risk</u>		
<b>Accounts</b>	<b><u>Book value</u></b>	<b><u>+50 M.B.</u></b>	<b><u>- 50 M.B.</u></b>	
Long term loans (Profit effect)	4.875.000,00	-24.375,00	24.375,00	
Short term loans (Profit effect)	4.750.000,74	-23.750,00	23.750,00	
Income tax (22%)	-	10.587,50	-10.587,50	
<b>Net effect</b>		<b>-37.537,50</b>	<b>37.537,50</b>	
<u>Company 2022</u>		<u>Interest rate risk</u>		
<b>Accounts</b>	<b><u>Book value</u></b>	<b><u>+50 M.B.</u></b>	<b><u>- 50 M.B.</u></b>	
Long term loans (Profit effect)	4.875.000,00	-24.375,00	24.375,00	
Short term loans (Profit effect)	4.750.000,74	-23.750,00	23.750,00	
Income tax (22%)	-	10.587,50	-10.587,50	
<b>Net effect</b>		<b>-37.537,50</b>	<b>37.537,50</b>	

### 7.32 Auditors' fees

Auditors' fees for statutory audit of the year 2022 are 26.700 euros.

Athens, 28 March 2023

Michael Economakis

Theodoros Anagnostopoulos

George B. Papadopoulos

Chairman of the Board of  
Directors

CEO

CFO and Administrative Manager

These financial statements, on pages 39-79, are those referred to in the audit report issued on 28.3.2023.

The Certified Auditor

Michael Zacharioudakis