**QUALCO INFORMATION SYSTEMS SINGLE-MEMBER SA**

**Annual Report of the Board of Directors and Annual Financial Statements in accordance with the International Financial Reporting Standards for the year ended**

**31 December 2022**

GCR NO: 002916401000

HEADQUARTERS: 66 Kifissias Ave., Maroussi, PC 151 25, ATTICA

http://www.qualco.eu/

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## Management Report of the Board of Directors

Dear Shareholders,

Pursuant to the provisions of Law 4548/2018, we submit, as accompaniments to the Ordinary General Meeting, the financial statements of the company for the year ended 31 December 2022 together with our observations thereon, and we kindly request your that you approve them.
The Board of Directors is responsible for the preparation of the Financial Statements of the company whose composition is as follows:

1) Tsakalotos Orestis, Chairman
2) Georgantzis Miltiadis, CEO
3) Retzekas Spyridon, Member of the Board of Directors
4) Amallos Demokritos, Member of the Board of Directors
5) Kontopoulos Nikolaos, Member of the Board of Directors

It is noted that the Company's Financial Statements were prepared on the basis of the International Financial Reporting Standards.
This report contains financial and non-financial information of the Company "QUALCO INFORMATION SYSTEMS SINGLE-MEMBER SA" (hereinafter the "Company") for the fiscal year 2022.

**Report of the year**

The financial position of the Company and its performance during the period ended 31/12/2022 is presented in the attached statements and, taking into account the prevailing conditions in Greece, it is considered satisfactory.
The results of the activities of the company are in accordance with the estimates of the Management.
The Company's equity increased from € 27,383,369 in 2021 to € 35,585,930 in 2022 (an increase of € 8,202,561 or 30%). This increase is due to the significant profitability of the closing year 2022 as presented below.
During the current year, the Company distributed dividends of € 12,000,000 to its shareholders. Moreover, according to the decision of the Board of Directors dated 17/01/2023, it was decided to distribute a temporary (interim) dividend of € 5,000,000 to the shareholders of the Company from the earnings of the 2022 fiscal year.

**Financial Ratios**

The Management lists the following ratios

| | **31/12/2022** | **31/12/2021** |
|---|---|---|
| Current Assets / Total Assets | 56.10% | 62.11% |
| Current Assets / Current Liabilities | 138.89% | 137.96% |
| Equity / Total Liabilities | 50.19% | 36.85% |
| Equity / Fixed Assets | 104.09% | 98.59% |

The first two ratios measure the liquidity of the Company by depicting the proportion of funds allocated to current assets. They constitute an indication of the current liabilities covered by current receivables.
The next ratio measures the financial self-sufficiency of the Company, reflecting its dependence on credit capital and its dependence on foreign borrowing.
The last ratio measures the degree of financing of the Company's fixed assets from its Equity.

*EBITDA*

The Board evaluates the profitability of the company by using the ratio of **EBITDA** (Earnings Before Interest, Taxes, Depreciation, Amortisation).

| | Notes | **01/01 - 31/12/2022** | **01/01 - 31/12/2021** |
|---|---|---|---|
| **Operating results** | | | |
| **Earnings before interest and tax (EBIT)** | | **27,227,112** | **23,591,209** |
| Depreciation | **5.6** | 5,875,503 | 5,271,888 |
| **Earnings Before Interest, Taxes, Depreciation, Amortisation (EBITDA)** | | **33,102,615** | **28,863,098** |

The increase in EBITDA in the current fiscal year is due on the one hand to the increase in Revenue by € 23,055,961 or + 24% compared to the previous year (Fiscal year 2022: € 117,728,997; Fiscal year 2021: € 94,673,036), as a consequence of the assumption of new projects by the Company, but also of the improvement of the performance of the existing ones, and on the other hand to the careful management of costs. More specifically, operating expenses and costs of goods sold increased as a whole in the current fiscal year by € 21,964,957 or 31% (Fiscal year 2022: € 92,507,555; Fiscal year 2021: € 70,542,597).

**Investment Strategy (Research and Development)**

The Investment Plan of the Company included actions concerning both the development of new products and the operational development in specific markets.
In its effort to consolidate its position in the market of software and services, the Company has given special priority to the research and development of its new products.
During the year 2022, the Company continued its investments in its market-established service platform "Qualco Collections and Recoveries", while special emphasis was given to the "QUALCO Loan Manager" solution, an online platform specially designed to cover all phases of credit processing, from portfolio integration and loan disbursement to termination and restructuring, while at the same time the solution fully supports the management of the yield of non-performing and terminated portfolios.
In total, within 2022, the Company capitalized staff fees of € 2,6 million, an expenditure related to the development of new software.

**Review of significant events that took place during the financial year**

**a. Revenue**

2022 was another important year for the development of the Company, with a significant increase in customer contracts, both abroad and in the domestic market, along with the consequent further increase of its revenue by 24% compared to the previous year. Furthermore, the Company continued its relationship as a Sub-Servicer to the Greek Public Power Company (PPC / DEI) following the two securitizations performed by the latter.
Digital transformation is a top priority for the Company's customers today. The Company responds with the QUALCO 360 solution, an ever-expanding "technological ecosystem" that allows its partners to respond directly to the ever-changing behavior of their customers, combining predictive analytics and an integrated multi-channel service system (Omnichannel).

**b. Acquisitions**

The Company has laid out a remarkable acquisition strategy with the aim of both expanding the solutions offered to customers and entering new markets. During the year 2022 the acquisitions program continued, the contribution of which is expected to be particularly evident in the year 2023. Specifically:

As part of its strategy for the development of new products and the expansion of its digital footprint, in July 2022, the Company proceeded with the acquisition of Motivian Holdings Limited, a software application platform called "VIA.Process", which is a software - platform for business processes management (BPM). Through the acquisition of this software, the Company aims to cover the distance between itself and its competitors, as well as enhance its revenue flow along with its overall supply of solutions/platforms, complementing the basis of its existing products with solutions that will serve the back office of loans and credits, factoring, BNPL retail credits, digitization and automation solutions, etc.

In addition, on 14 November 2022, the Company proceeded with the conversion of the bonds previously acquired by Bricklane Technologies Ltd in February of the same year, thus acquiring a 2.5% stake in that company. Bricklane has developed an investment platform that guides users in investing in real estate so that they earn returns from their investments and to monitor the change in value and rental income. The purpose of this transaction is to strengthen the activities of the Company and the Qualco Group within the property tech sector and consider the possibility of implementing a similar business model in the Greek market.

**Risk management**

The Company is exposed to financial risks such as market risks (changes in exchange rates, interest rate, market prices), credit risk, liquidity risk, technological development risk and macroeconomic risk.

**i) Liquidity risk**

Liquidity risk is kept at low levels by maintaining sufficient cash and adequate credit limits offered by collaborating banks. The company’s policy is to minimise its exposure to cash flow interest rate risk regarding long-term financing. Long-term financing is usually at a floating interest rate based on Euribor.
As regards interest rates, management believes that what is paid in relation to the loans concluded is equivalent to the current reasonable market interest rates and therefore their value does not differ from the value at which these liabilities are presented.

**ii) Foreign Exchange Risk**

Currency risks arise from transactions made in foreign currencies. The Company carries out commercial operations with foreign companies, and as a consequence, is substantially exposed to foreign exchange risk, although most of its transactions are in Euro (€).
In particular, the foreign exchange risk arises occasionally, in particular when consultants’ fees arise, as well as project costs incurred in foreign currencies. The Company controls and assesses periodically, separately but also jointly, its exposure to foreign exchange risk and will use derivative financial instruments if required to limit such risk.

**iii) Credit risk**

Credit risk is the possible non-timely repayment to the Company of the existing and contingent liabilities of its counterparties and consists mainly of commercial and other receivables, as well as cash and cash equivalents.
Trade receivables come from a large customer base. Because of the prevailing conditions in the market, extremely strict control is exercised over new contracts and the procedures for monitoring progress of works, invoices and receipts. A large part of its trade receivables is insured against credit risk by obtaining letters of guarantee for the execution of contracts from banking institutions.
Cash and cash equivalents also involve potential credit risk. In such cases, the risk may arise from counterparty failure to fulfill their obligations towards the Company. In order to deal with this credit risk, the Company, in the framework of the policies approved by the Boards of Directors, cooperates with financial institutions of high investment credit rating and continuously evaluates and sets limits on the degree of exposure to each individual financial institution.
Furthermore, a large part of its receivables relate either to receivables from the Greek State or to receivables that correspond to liabilities to the Greek State. In the Management’s view, appropriate provisions are recognized for losses arising from impairment of receivables due to specific credit risks.

**iv) Risk of technological developments**

Technological developments in software production technology and operating systems may, under certain conditions, affect a software company. The continuous upgrading of products in the latest technological environments is an important factor in the company's competitiveness. The Company does not foresee that such a risk may arise in the next few years, since its products are developed, in fact this constitutes a key element of its competitiveness that differentiates it in the market.
In any case, the Company closely monitors the technological developments and adjusts its products accordingly.
The risks incurred by the company and their management are detailed in paragraph 4 of the Financial Statements.

**Transactions with affiliates**

The affiliates of the Company are the following:

*Parent:* Qualco Holdco Limited (UK)
Qualco SA is 100% owned by Qualco Holdco Limited (UK).
*Subsidiaries:*

| | | % of participation | |
|---|---|---|---|
| **Name** | **Headquarters** | **31/12/2022** | **31/12/2021** |
| QQuant Master Servicer SA | Greece | 100% | 100% |
| Qualco (UK) Limited | United Kingdom | 93.75% | 93.75% |
| Qualco Cyprus Ltd | Cyprus | 100% | 100% |
| Qualco France | France | 1% | 1% |
| Tensorfin SA (*) | Greece | 0% | 100% |
| Deadalus Technologies | United Arab Emirates | 100% | 100% |

*(*)* TENSORFIN SOFTWARE ENGINEERING SINGLE-MEMBER SA was merged through its absorption by Qualco SA in May 2022 (General Commercial Reg. (GEMI) decision no. 4259/05-05-2022).

*Associates:*

| **Name** | **Headquarters** | **31/12/2022** | **31/12/2021** |
|---|---|---|---|
| PQH Single Special Liquidation SA | Greece | 33.33% | 33.33% |
| CNL AEDOEE | Greece | 20% | 20% |

The Company's transactions with related parties are as follows:

| | Trade liabilities | | Financial liabilities | |
|---|---|---|---|---|
| **Payables to related parties** | **2022** | **2021** | **2022** | **2021** |
| Qualco Holdco Limited | - | - | 32 | 32 |
| Qualco (UK) Limited | 482,387 | 163,388 | - | - |
| Other related parties | 135,341 | 59,047 | - | - |
| **Total** | **617,728** | **222,436** | **32** | **32** |

| | Trade receivables | | Financial receivables | |
|---|---|---|---|---|
| **Receivables from related parties** | **2022** | **2021** | **2022** | **2021** |
| Qualco Holdco Limited | 29,657 | 929,475 | 2,765,529 | 5,364,509 |
| Qualco (UK) Limited | 511,499 | 650,785 | 787,823 | 787,823 |
| Qualco France | 390,924 | 353,562 | - | - |
| Qualco Cyprus Ltd | 21,000 | - | 21,000 | - |
| QQuant Master Servicer SA | 1,946,680 | 1,738,331 | - | - |
| Qualco Fin Limited | - | - | 209,540 | 9,705,997 |
| CNL AEDOEE | - | - | 420,000 | 420,000 |
| Other affiliates | 341,546 | 41,452 | 171,838 | 40,360 |
| **Total** | **3,241,306** | **3,713,605** | **4,375,730** | **16,318,688** |

| **Purchases from / Sales to related parties** | **Sales of goods and services** | | **Purchases of goods and services** | |
|---|---|---|---|---|
| | **2022** | **2021** | **2022** | **2021** |
| Qualco Holdco Limited | 344,380 | 305,908 | - | - |
| Qualco (UK) Limited | 108,800 | 274,962 | 1,965,881 | 1,320,760 |
| Qualco France | 99,171 | 105,847 | - | - |
| QQuant Master Servicer SA | 2,968,794 | 2,542,456 | 656,060 | 744,990 |
| PQH Single Special Liquidation SA | 1,365,073 | 1,664,242 | - | - |
| Qualco Fin Limited | 763,052 | 130,997 | - | - |
| Other affiliates | 518,680 | 36,590 | 1,558,568 | 1,379,250 |
| **Total** | **6,167,949** | **5,061,001** | **4,180,509** | **3,445,000** |

| **Remuneration of members of the Board of Directors and Managing Executives** | **2022** | **2021** |
|---|---|---|
| Salaries and other benefits to employees | 2,569,614 | 2,634,749 |
| **Total** | **2,569,614** | **2,634,749** |

| **Dividends / Interim dividends** | **2022** | **2021** |
|---|---|---|
| Receivable from Qualco Holdco Limited | - | 7,000,000 |
| Liability to Qualco Holdco Limited | 600,000 | 7,000,000 |

## Environmental and labor issues

### Corporate and Social Responsibility

Contributing to the progress and prosperity of society is one of the fundamental values and the most important principles of Qualco's operation, largely determining its sustainable business.
Corporate Social Responsibility is about how we achieve our goals and utilize our business incentives, operating in a way that reflects the company's values in areas that include the market, employees, consumers, society and the environment.
For us Qualco people, Corporate Social Responsibility actions are an integral part of our culture and our overall philosophy as an organization. The main strategy of the company's actions is structured having our "fellow human beings" in mind and is based the "free support" principle, while the active development of the above two points are a key priority for Qualco in Greece, despite the difficult conditions we all face today.
The philosophy of Social Responsibility covers three key strategic axes in all the countries where Qualco operates. Initially, it includes all actions and initiatives that differentiate us from competition. It then includes initiatives that support local communities, institutions and people in real need. This is our second strategic axis. Finally, the third axis of our strategy is inextricably linked to the ability of employees to participate in all actions and activities.

### Environmental Issues

Qualco has been showing respect for the environment all this time, so it ranks very high in the code of ethics that governs all our operations.
Our operation is in line with all regulations - laws on good environmental practice, and at the same time we support local and international environmental actions and initiatives by participating in or encouraging participation in them for sustainable development.

### Labor Issues

The Company employed 515 employees as at 31/12/2022. With full awareness of the prevailing economic conditions, we recognize that our human resources are our most important asset and the key factor in achieving our strategic goals.
The Company aims to achieve its objectives through transparent and merit-based frameworks for selecting and evaluating the performance of and rewarding our human resources and a network of appropriate procedures and rational organizational structures. Progress and development opportunities are part of our people-centered philosophy.
Finally, through the implementation of structured communication policies between the levels of hierarchy, we build trust among its members.

### Equal opportunities

The executives, employees and associates of the company behave with respect to their colleagues and every trading partner of the company and fully comply with the legislation on equal opportunities. No forms of harassment against any employee or third party to the Company are acceptable.
The value, qualifications and performance of individuals are the main reasons for the assignment of more complex and demanding roles in the organization chart, while characteristics related to gender, age, religion, origin, color, or beliefs of the candidates are not reasons for their preference or exclusion over their fellow candidates.

### Hygiene and safety of staff

In the context of safeguarding the safety and health of employees, the Company has appointed a Safety Technician and an Occupational Physician, in order to investigate any eventual hazards in the workplace and to propose measures to avoid them. Protecting health and safety in all areas of activity is a matter of paramount importance and priority. The Company sees to the creation of a working environment with sufficient and pleasant work conditions. The criteria set to ensure health and safety in the workplace are particularly high.

**Society**

The Company sees to the implementation of minimum social standards and aims at their continuous improvement. These minimum social standards are the foundation of its functioning:
- Human dignity
- Compliance with legislative provisions
- Prohibition of employment of minors
- Prohibition of forced labor and disciplinary measures
- Freedom of organization and gathering
- Environmental protection

The implementation and monitoring of the aforementioned social standards is carried out through an in-house social responsibility strategy and a corresponding in-house process. Punishment or unfavorable treatment of employees who report such violations in relation to these social standards is not allowed.

**Projected course and evolution**

The amount of unfinished projects already undertaken is the basis for the Company's further development in 2023. The growth rates are also supported by the revenues from products and services sold to the ever-increasing number of large and medium-sized customers.
In view of the strongly exporting orientation of the Company, its prospects, profit or loss and course for the current year 2023, are directly related to the situation prevailing on the one hand in the domestic and on the other hand in the global economy and market, without ignoring the unfavorable conditions still prevailing in the domestic economy, although there are indications that after a long period of recession, attempts are being made to return to growth, improve business conditions and increase business investment, whereas there is hope that the end of fiscal surveillance may be the starting point of growth and return to normality.
In any case, although developments can not be predicted with certainty and any assessment of the development and course of activities and financial figures would be uncertain, as the transaction activity has not been restored, the Company Management, having strengthened its extroversion, will focus its efforts on the market shares that are expected to emerge:

- from further strengthening its activity abroad,
- from the contribution of new and specialized personnel,
- from the development and presentation of new functions and innovative products in the domestic and international market;
- from a targeted approach to new projects, in particular complex IT projects and
- from continuing to look for new investment opportunities to enable further growth.

The flexibility of the internal structure and organization that has already been created by the Company allows it to adapt more quickly and efficiently to the new emerging market conditions, in order to effectively utilize any substantial development opportunities that may arise.
In addition, the development of the Company's operations in sectors with high added value, is expected to have a beneficial effect on profit margins and financial figures.
The Company systematically strengthens its presence and its activities in the markets in order to cover and serve the needs of the banking and investment sector, in which it has significant expertise.
The Company follows its plan to contribute with its technology to the development of the activities of its customers. It is constantly investing a significant portion of its annual revenue to improve the core software it offers to its customers, QUALCO 360, and to grow in areas such as cloud deployment, explainable AI, and value-added advanced data services.
Finally, as at 2023, the management of securitized and non-securitized receivables of the portfolio of the Greek Public Power Company (PPC / DEI) continues.

**Events after the date of the Statement of Financial Position**

On 17 February 2023 the Company completed the acquisition of a property in the center of Athens for a total consideration of EUR 6,2 million. The property will be used as an additional office space for the Company employees. The acquisition was financed by a bond loan of € 4.7 million granted by Optima Bank with a duration of 5 years, while the remaining amount was paid in cash by the Company.

On 3 March 2023 the Company acquired a 51% stake in company AI Synthetica Solutions Limited for a total purchase consideration of EUR 2,7 million. Synthetica designs, manufactures and installs software solutions related to the fields of artificial intelligence, machine learning and the Internet of Things (IoT). With this transaction, the Company aims to expand its technological footprint and thus enter new business sectors and further diversify its own sources of revenue and the sources of Qualco Group, under which it operates.

On 22 March 2023, the Company acquired 30% of the shares of Indice SA for a consideration of EUR 1.8 million. Indice S.A. has developed a digital activation platform and specializes in the design, development and distribution of software products and applications with an emphasis on the management of non-performing loans and receivables. With this transaction, the Company aims to expand its product portfolio, as well as use the expertise of Indice for the implementation of new business sectors within the Company and the Qualco Group.

On 17 January 2023, the Company Board of Directors approved the distribution to the shareholders of a temporary (interim) dividend of EUR 5,0 million from the profit of the 2022 fiscal year. The dividend was paid to the parent company Qualco Holdco Limited on 21 March 2023.

Exact copy of the Minutes of the BoD.

Maroussi, Attica, Greece 24 April 2023

The Chairman of the Board

Tsakalotos Orestis

## Audit Report of Independent Certified Public Auditor-Accountant

To the Shareholders of the Company QUALCO INFORMATION SYSTEMS SINGLE-MEMBER SA

**Audit Report on the Financial Statements**

**Opinion**

We have audited the accompanying financial statements of the company "QUALCO INFORMATION SYSTEMS SINGLE-MEMBER SA" (the Company), which consist of the statement of financial position of 31 December 2022, the statement of comprehensive income, the statement of changes in equity and the cash flow statement for the fiscal year ended on that date, as well as a summary of significant accounting principles and methods, and other explanatory notes.

In our opinion, the accompanying financial statements present reasonably, in all material aspects, the financial position of the company QUALCO INFORMATION SYSTEMS SINGLE-MEMBER SA on 31 December 2022, its financial performance and its cash flows for the fiscal year in accordance with the International Financial Reporting Standards, as adopted by the European Union.

**Basis of opinion**

We have conducted our audit in accordance with International Auditing Standards (IAS), as transposed into Greek legislation. Our responsibilities, according to these standards, are further described in the section of our report "Auditor's responsibilities for the audit of financial statements". We are independent of the Company throughout the term of our appointment, in accordance with the Code of Professional Conduct for Auditors of the International Auditing and Assurance Standards Board, as transposed into Greek legislation, and the professional ethics and conduct requirements related to the auditing of financial statements in Greece and we have fulfilled our ethical obligations in accordance with the requirements of the applicable law and the abovementioned Code of Conduct. We believe that the audit evidence we have obtained is sufficient and adequate as a basis for our audit opinion.

**Responsibilities of the management regarding the financial statements**

The management is responsible for the preparation and fair presentation of these financial statements, in accordance with International Financial Reporting Standards, as adopted by the European Union, and for those safeguards that the management deems necessary to enable preparation of financial statements free of material misstatements, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the Company's ability to continue its activities, disclosing, where applicable, any issues related to the going concern and the use of the accounting basis of the going concern unless the management either intends to liquidate the Company or to discontinue its activities or has no other realistic option than to take such actions.

**Auditor's responsibilities in auditing the financial statements**

Our objectives are to obtain reasonable assurance as to whether the Financial Statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report presenting our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that the audit carried out in accordance with the IAS, as transposed into Greek legislation, will always identify a material misstatement, when such a misstatement exists. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit carried out in accordance with the IAS, as transposed into Greek legislation, will always identify a material misstatement, when such a misstatement exists.

As a duty of the audit, according to IAS as transposed into Greek legislation, we exercise our professional judgment and maintain professional skepticism throughout the audit. Furthermore:

- We identify and assess the risks of material misstatements in the financial statements, whether due to fraud or error, by designing and performing audit procedures that respond to those risks and we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of failing to detect a material misstatement due to fraud is higher than that due to error, since fraud may involve collusion, forgery, deliberate omissions, false assertions or the bypassing of internal audit safeguards.

- We understand audit-related internal controls to design audit procedures appropriate to the circumstances, but not to express an opinion on the effectiveness of the Company's internal control.
- We assess the appropriateness of the accounting principles and methods used and the reasonableness of accounting estimates and respective disclosures made by the Management.
- We assess the appropriateness of the management's use of the going concern accounting principle and the audit evidence that has been obtained to determine whether there is material uncertainty about events or circumstances that may indicate material uncertainty as to the ability of the company to continue its activity. If we conclude that there is material uncertainty, we are required to report such disclosures in the financial statements in the auditor's report or whether these disclosures are insufficient to differentiate our opinion. Our findings are based on audit evidence obtained until the date of the auditor's report. However, future events or circumstances may result in the Company ceasing to operate as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including disclosures, as well as whether the financial statements reflect the underlying transactions and events in a manner that ensures their reasonable presentation.

Among other issues, we notify management of the planned scope and timing of the audit, as well as of significant audit findings, including any material deficiencies in internal controls that we identify during our audit.

**Report on other Legal and Regulatory Requirements**

Taking into account the fact that management is responsible for drawing up the Management Report of the BoD, pursuant to Article 2 paragraph 5 (Part B) of Law 4336/2015, it should be noted that:

a) In our opinion the Board of Directors Management Report has been drawn up according to the current legal requirements of Article 150 of Law 4548/2018 and its contents correspond to the accompanying Financial Statements for the year ended 31/12/2022.

b) On the basis of the information obtained during our audit in relation to "QUALCO INFORMATION SYSTEMS SINGLE-MEMBER SA" and the environment it operates in, we did not identify any material misstatements in the Directors' Report.

Athens, Greece, 24/04/2023

The Certified Auditor-Accountant

Christina Tsironi

SOEL Reg. No 36671

GrantThornton
Ορκωτοί Ελεγκτές Σύμβουλοι Επιχειρήσεων
Λ. Κατεχάκη 58, 115 25 Αθήνα
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## Statement of Financial Position

| ASSETS | Note | 31/12/2022 | 31/12/2021 |
|---|---|---|---|
| **Non-current assets** | | | |
| Tangible fixed assets | 5 | 8,504,343 | 5,577,536 |
| Intangible assets | 6 | 9,301,795 | 5,555,238 |
| Investments in subsidiaries and associates | 7 | 6,068,784 | 7,244,784 |
| Deferred tax assets | 8 | 222,272 | 368,568 |
| Right of use assets | 9 | 16,380,007 | 16,643,500 |
| Non-current financial assets | 10 | 5,716,991 | 2,673,061 |
| Other non-current assets | 11 | 556,850 | 467,430 |
| **Total non-current assets** | | **46,751,042** | **38,530,116** |
| **Current assets** | | | |
| Trade and other receivables | 12 | 12,272,149 | 7,048,301 |
| Current tax assets | 13 | 5,469,017 | 2,154,990 |
| Accrued income | 14 | 10,519,696 | 9,795,685 |
| Current financial assets | 10 | 13,515,258 | 15,898,719 |
| Other receivables | 15 | 2,945,027 | 10,974,822 |
| Cash and cash equivalents | 16 | 15,018,080 | 17,286,456 |
| **Total current assets** | | **59,739,227** | **63,158,973** |
| **Total assets** | | **106,490,268** | **101,689,089** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Share capital and share premium | 17 | 7,239,363 | 7,239,363 |
| Other reserves | 17 | 2,705,332 | 2,578,472 |
| Retained Earnings | | 25,641,236 | 17,565,535 |
| **Own funds attributable to the shareholders of the Company** | | **35,585,930** | **27,383,369** |
| **Total equity** | | **35,585,930** | **27,383,369** |
| **Liabilities** | | | |
| **Long-term liabilities** | | | |
| Long-term loan liabilities | 18 | 12,824,574 | 12,550,726 |
| Non-current lease liabilities | 19 | 14,646,322 | 15,082,722 |
| Tax liabilities | 23 | - | 584,804 |
| Liabilities for personnel retirement benefits | 20 | 394,277 | 252,566 |
| Other long-term liabilities | 21 | 28,501 | 53,701 |
| **Total non-current liabilities** | | **27,893,674** | **28,524,519** |
| **Current liabilities** | | | |
| Suppliers and other payables | 22 | 7,994,692 | 8,170,979 |
| Short-term loan liabilities | 18 | 6,411,547 | 6,230,185 |
| Current lease liabilities | 19 | 2,494,941 | 1,956,666 |
| Other tax liabilities | 23 | 1,149,266 | 2,442,520 |
| Deferred income | 24 | 2,032,893 | 1,918,619 |
| Other liabilities | 25 | 12,851,656 | 10,200,698 |
| Dividends payable | 33 | 600,000 | 7,000,000 |
| Current tax liabilities | 26 | 9,475,671 | 7,861,534 |
| **Total current liabilities** | | **43,010,665** | **45,781,201** |
| **Total liabilities** | | **70,904,338** | **74,305,720** |
| **Total equity and liabilities** | | **106,490,268** | **101,689,089** |

The notes on pages 18 to 50 are an integral part of these financial statements.

## Statement of Comprehensive Income

| | Note | 01/01 - 31/12/2022 | 01/01 - 31/12/2021 |
|---|---|---|---|
| Revenue | 28 | 117,728,997 | 94,673,036 |
| Cost of goods sold | 29 | (52,259,066) | (45,595,163) |
| **Gross profit** | | **65,469,931** | **49,077,873** |
| Administrative costs | 29 | (20,803,482) | (14,563,149) |
| Sales and marketing costs | 29 | (19,445,007) | (10,384,284) |
| Other income | 30 | 2,347,603 | 1,961,408 |
| Other expenses | 30 | (341,933) | (2,500,638) |
| **Operating results** | | **27,227,112** | **23,591,209** |
| Financial income | 31 | 776,590 | 345,498 |
| Financial expenses | 31 | (2,112,383) | (1,009,297) |
| **Financial expenses - net** | | **(1,335,794)** | **(663,799)** |
| **Profit before taxes** | | **25,891,318** | **22,927,410** |
| Income tax | 27 | (6,111,984) | (6,644,439) |
| **Profit for the year** | | **19,779,334** | **16,282,971** |
| **Other Comprehensive Income for the year:** | | | |
| **Items not to be transferred subsequently to profit and loss** | | | |
| Actuarial gain / (loss) | 20 | 3,729 | 6,918 |
| Deferred tax on actuarial gain / (loss) | | (820) | (1,522) |
| **Other Comprehensive Income for the year** | | **2,909** | **5,396** |
| **Total Comprehensive Income for the year after tax** | | **19,782,243** | **16,288,367** |

The notes on pages 18 to 50 are an integral part of these financial statements.

## Statement of Changes in Equity

| | Share capital | Share premium | Other reserves | Retained Earnings | Total equity |
|---|---|---|---|---|---|
| **Balance as at 1 January 2021** | **849,213** | **6,390,150** | **2,573,076** | **6,282,563** | **16,095,001** |
| Net profit for the year | - | | | 16,282,971 | 16,282,971 |
| Actuarial gain / (loss) | | | 6,918 | | 6,918 |
| Deferred tax on actuarial gains/losses | - | - | (1,522) | - | (1,522) |
| **Total comprehensive income for the year** | **-** | **-** | **5,396** | **16,282,971** | **16,288,367** |
| **Balance as at 31 December 2021** | **849,213** | **6,390,150** | **2,578,472** | **22,565,534** | **32,383,369** |
| Distribution of dividend | | | | (5,000,000) | (5,000,000) |
| **Balance as at 31 December 2021** | **849,213** | **6,390,150** | **2,578,472** | **17,565,534** | **27,383,369** |

| | Share capital | Share premium | Other reserves | Retained Earnings | Total equity |
|---|---|---|---|---|---|
| **Balance as on 1 January 2022** | **849,213** | **6,390,150** | **2,578,472** | **17,565,534** | **27,383,369** |
| Net profit for the year | - | | | 19,779,334 | 19,779,334 |
| Actuarial gain / (loss) | | | 3,729 | | 3,729 |
| Deferred tax on actuarial gains / losses | - | - | (820) | - | (820) |
| **Total comprehensive income for the year** | **-** | **-** | **2,909** | **19,779,334** | **19,782,243** |
| Transfer from reserves | | | 123,951 | (123,951) | - |
| Change due to subsidiary absorption - merger (Note 2.4) | | | | 420,318 | 420,318 |
| Distribution of dividend | | | | (12,000,000) | (12,000,000) |
| **Balance as on 31 December 2022** | **849,213** | **6,390,150** | **2,705,331** | **25,641,235** | **35,585,929** |

The notes on pages 18 to 50 are an integral part of these financial statements.

## Statement of Cash Flows

| | **01/01 - 31/12/2022** | **01/01 - 31/12/2021** |
|---|---|---|
| **Profit/(Loss) before taxes** | **25,891,318** | **22,927,410** |
| ***Adjustments for:*** | | |
| Depreciation of tangible fixed assets | 1,279,469 | 933,620 |
| Depreciation of rights of use of assets | 2,495,846 | 1,682,469 |
| Depreciation of intangible fixed assets | 2,384,536 | 2,655,800 |
| Change in provisions, pension reserves and grants | 84,478 | 98,593 |
| Interest income | (776,590) | (345,498) |
| Interest expenses | 2,112,383 | 1,009,297 |
| Profit or loss (revenue, expenses, gains, losses) of investment activity | 45,075 | - |
| Impairment of assets and other investments | 100,000 | 2,097,735 |
| | **33,616,516** | **31,059,426** |
| **Changes in working capital** | | |
| Reduction/(Increase) of trade and other liabilities | (5,921,501) | 710,200 |
| Reduction/(Increase) of accrued income | (724,011) | (466,478) |
| Increase/(Reduction) of trade and other liabilities | (1,285,250) | (2,929,001) |
| Increase/(Reduction) of deferred income | 114,274 | 583,183 |
| Increase/(Reduction) of accrued costs | 2,650,957 | 3,969,506 |
| (Reduction)/increase of other tax liabilities | 457,909 | 328,637 |
| **Cash flows from operating activities** | **28,908,895** | **33,255,474** |
| Income tax | (6,720,356) | (3,991,179) |
| **Cash inflows from operating activities** | **22,188,539** | **29,264,295** |
| **Cash flows from investment activities** | | |
| Purchases of tangible fixed assets | (3,876,953) | (3,130,475) |
| Purchases of intangible assets | (5,310,874) | (1,189,093) |
| (Acquisition)/Sales of financial assets at fair value through other comprehensive income | (1,578,704) | - |
| (Acquisition)/Sales of financial assets at fair value through profit or loss | (85,369) | (2,253,061) |
| (Acquisition)/Sales of financial assets at amortized cost | (2,982,132) | - |
| Acquisition of subsidiaries and associates | - | (782,000) |
| Increase of shareholding in subsidiaries | - | (1,210,320) |
| Dividend paid | - | (5,000,000) |
| Interest collected | 6,953 | (161,427) |
| **Net cash outflows from investment activities** | **(13,827,079)** | **(13,726,376)** |
| **Cash flows from financing activities** | | |
| Bank loans taken out | 4,000,000 | 14,500,000 |
| Repayment of bank loans | (4,060,608) | (1,991,300) |
| Repayments of leases | (2,965,502) | (1,761,284) |
| Loans to related parties | (151,000) | (14,606,411) |
| Repayment of loan principal and interest from related parties | 5,803,738 | 3,895,495 |
| Loans granted to third parties | (2,000,000) | - |
| Repayment of loan principal and interest from third parties | 1,031,536 | - |
| Interest paid | (732,546) | (302,858) |
| Dividends paid | (12,000,000) | - |
| **Net cash outflows from financial activities** | **(11,074,381)** | **(266,358)** |

| | | |
|---|---|---|
| **Net increase/(reduction) in cash and cash equivalents** | **(2,712,921)** | **15,271,562** |
| Cash and cash equivalents at the beginning of the financial year | 17,286,456 | 2,014,894 |
| Cash of merged companies (Note 2.4) | 444,545 | - |
| **Cash and cash equivalents at the end of the financial year** | **15,018,080** | **17,286,456** |

The notes on pages 18 to 50 are an integral part of these financial statements.

## Notes on the financial statement

### 1. General information

These financial statements include the annual corporate financial statements of the company under the name "QUALCO INFORMATION SYSTEMS SINGLE-MEMBER SA" (hereinafter "Qualco" or "Company").
The company "QUALCO INFORMATION SYSTEMS SINGLE-MEMBER SA" was founded in Greece in 1998.
It is headquartered at 66, Kifisias Avenue, Maroussi, PC 15125, Attica with TIN 094503426 and GEMI number 002916401000.
The main activities of the company are a) development, distribution and support of advanced software and business solutions for the wider financial and construction sector; b) provision of a wide range of services related to IT Infrastructures; c) design, implementation and support of complex systems for the purpose of efficiency and development of business intelligence and management information; d) design and implementation of mission-critical, line-of-business IT projects on a large scale; and e) design and implementation of risk calculation methods.
The financial year of the company begins on 1 January and ends on 31 December each year.
These financial statements are presented in euro, which is the currency of the primary economic environment in which the company operates.
The financial statements for the year ended 31 December 2022 were incorporated with the full consolidation method in the consolidated financial statements of Qualco Holdco Ltd, registered in England.
These financial statements were approved for publication by the company's BoD on 24 April 2023 and are subject to the approval of the Ordinary General Meeting of shareholders.

### 2. Framework for the preparation of financial statements

## 2.1 Basis for Preparation

The present annual corporate financial statements of QUALCO SA as at 31 December 2022, covering the period 01/01/2021 - 31/12/2022, have been prepared in accordance with the International Financial Reporting Standards (IFRSs) that have been issued by the International Accounting Standards Board (IASB) and the relevant Interpretations issued by the Financial Reporting Interpretations Committee ("IFRIC"), which are related to the activities of the Group and are in force at the date of preparation of the Financial Statements, as adopted by the European Commission.
The Financial Statements have been prepared in accordance with the principle of historical or imputed cost, the independence of fiscal years, uniformity, presentation, significance of the data and the principle of earned revenue and costs.
Furthermore, the Financial Statements have been prepared on a going concern basis.
All revised or newly issued standards and interpretations that apply to the Company and are in force as at 31/12/2022 were considered in preparing the financial statements for this financial year, to the extent that they were applicable.
The preparation of the financial statements in accordance with the Generally Accepted Accounting Principles requires the conduct of estimates and assumptions that may affect both the accounting balances of assets and liabilities and the required disclosures for contingent receivables and payables on the date of preparation of the Financial Statements, as well as the amounts of income and expenses recognized during the reporting period. The use of adequate information and the application of a subjective judgment constitute integral elements for making estimates in asset valuations, classification of financial instruments, impairment of receivables, provision of income tax and pending court cases. Actual future results may differ from the above estimates.

## 2.2 New Standards, Interpretations, Revisions and Amendments to Existing Standards that are effective and have been adopted by the European Union

The following new Standards, Interpretations and Amendments to Standards have been issued by the International Accounting Standards Board (IASB), have been adopted by the European Union and their implementation is mandatory from 01/01/2022 or later.

***Amendments to IFRS 3 "Business Combinations", IAS 16 "Property, Plant and Equipment", IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" and "Annual Improvements 2018 - 2020" (applicable to annual periods beginning on or after on 01/01/2022)***

In May 2020, the IASB issued a series of amendments, including limited-purpose amendments to three Standards, as well as the Council's Annual Improvements. These amendments provide clarification regarding the wording of the

Standards or correct minor consequences, omissions or conflicts between the requirements of the Standards. Specifically:

- The **amendments to IFRS 3 "Business Combinations**" update a reference in IFRS 3 to the Financial Reporting Framework without amending the accounting requirements relating to business combinations.
- **Amendments to IAS 16 "Property, Plant and Equipment"** prohibit a company from deducting from the cost of fixed assets amounts received from the sale of items produced during the preparation of such fixed assets to be ready for use. Instead, the company recognizes these sales revenues and related costs in the Income Statement.
- The **amendments to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets"** determine the costs that a company should include when assessing whether a contract is loss-making.
- The **IFRS Annual Improvements - Cycle 2018-2020** make minor amendments to IFRS 1 "First-time Adoption of International Financial Reporting Standards", IFRS 9 "Financial Instruments", IAS 41 "Agriculture" and the Explanatory Examples accompanying IFRS 16 "Leases".

The amendments have no effect on the Company's Financial Statements.

### 2.3 New Standards, Interpretations, Revisions and Amendments to existing Standards which have not yet entered into force or have not been adopted by the European Union

The following new standards, interpretations and amendments have been issued by the IASB but have not yet become effective or have not been adopted by the European Union.

***IFRS 17 "Insurance Contracts" (applicable to annual periods beginning on or after 01/01/2023)***

In May 2017, IASB issued a new Standard, IFRS 17, which replaces an interim Standard, IFRS 4. The IASB's objective was to develop a common, principle-based Standard for the accounting treatment of all types of insurance contracts, including reinsurance contracts held by an insurance entity. A single, principle-based Standard should encourage better comparability of financial information across entities, jurisdictions and capital markets. IFRS 17 specifies the requirements that an entity should meet in financial disclosure for insurance contracts it issues and reinsurance contracts it holds. In addition, in June 2020, the IASB issued amendments, which, however, do not affect the fundamental principles introduced when IFRS 17 was originally adopted. The amendments are designed to reduce costs by simplifying certain requirements of the Standard, to lead to a more easily explained financial performance, and to facilitate the transition by postponing the date of application of the Standard for 2023, while providing additional assistance to reduce the effort required during the first application of the Standard. The Company will consider the impact of all of the above on its Financial Statements, although they are not expected to have any effect. The above have been adopted by the European Union and are effective from 01/01/2023.

***Amendments to IAS 1 "Presentation of Financial Statements" (applicable to annual periods beginning on or after 01/01/2023)***

In February 2021, the IASB issued limited purpose amendments relating to disclosures of accounting policies. The purpose of the amendments is to improve disclosures of accounting policies to provide more useful information to investors and other users of the Financial Statements. More specifically, based on the amendments, it is necessary to disclose important information related to accounting policies, instead of disclosing the important accounting policies. The Company will consider the impact of all of the above on its Financial Statements, although they are not expected to have any effect. The above have been adopted by the European Union and are effective from 01/01/2023.

***Amendments to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates" (applicable to annual periods beginning on or after 01/01/2023)***

In February 2021, the IASB issued limited purpose amendments clarifying the difference between a change in accounting estimate and a change in accounting policy. This distinction is important as the change in accounting estimate is applied without retroactive effect and only for future transactions and other future events, in contrast to the change in accounting policy that has retroactive effect and is applied to transactions and other events in the past. The Company will consider the impact of all of the above on its Financial Statements, although they are not expected to have any effect. The above have been adopted by the European Union and are effective from 01/01/2023.

***Amendments to IAS 12 "Income Taxes": Deferred Tax relating to Assets and Liabilities arising from a Single Transaction" (applicable to annual periods beginning on or after 01/01/2023)***

In May 2021, the IASB issued targeted amendments to IAS 12 to determine how entities should handle deferred tax on transactions such as leases and decommitments - transactions that entities recognize at the same time as a single asset and a single liability. In certain cases, entities are exempt from recognizing deferred tax when they recognize receivables or liabilities for the first time. The amendments clarify that this exemption does not apply and entities are required to recognize deferred tax on those transactions. The Company will consider the impact of all of the above on its Financial Statements, although they are not expected to have any effect. The above have been adopted by the European Union and are effective from 01/01/2023.

***Amendments to IFRS 17 "Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 - Comparative Information" (applicable to annual periods beginning on or after 01/01/2023)***

In December 2021, the IASB issued a limited-purpose amendment to the transition requirements to IFRS 17 to address a significant issue related to the provisional mismatch between liabilities under insurance contracts and financial assets in the comparative information as part of the initial application of IFRS 17 "Insurance Contracts" and IFRS 9 "Financial Instruments". The amendment is intended to improve the usefulness of the financial information that will be presented in the comparative period for the users of the Financial Statements. The Company will consider the impact of all of the above on its Financial Statements, although they are not expected to have any effect. The above have been adopted by the European Union and are effective from 01/01/2023.

***Amendments to IAS 1 "Classification of Liabilities as Current or Non-Current"(effective for annual periods beginning on or after 01/01/2024)***

In January 2020, the IASB issued narrow-scope amendments to IAS 1 affecting the requirements for the presentation of the liabilities. Specifically, the amendments clarify one of the criteria for classification of a liability as non-current, the requirement for an entity to have the right to defer the settlement of the liability for at least 12 months after the reporting period. The amendments include: a) clarifying that the right of an entity to defer the settlement should exist on the reporting date; b) clarifying that the classification of the liability is not affected by the intentions or expectations of the Management regarding the exercise of the right to defer any settlement; c) explaining how borrowing conditions affect the classification; and d) clarifying the requirements related to classifying the liabilities of an entity which is about to or is liable to proceed to a settlement through the issue of own equity instruments. In addition, in July 2020, the IASB issued an amendment to postpone by one year the date of entry into force of the amendment originally issued in IAS 1, as a result of the spread of the Covid-19 pandemic. However, in October 2022, the IASB issued an additional amendment aimed at improving the information provided by companies on long-term loan commitments. IAS 1 requires a company to classify the loan as long-term only if the company can avoid settlement of the loan within 12 months after the reporting date. However, the ability of a company to do so often depends on compliance with its commitments. The amendments to IAS 1 specify that the commitments to be observed after the reporting date do not affect the classification of the loan as short-term or long-term on the reporting date. On the contrary, the amendments to the standard require a company to disclose information about these commitments in the financial statements. The amendments shall apply for annual periods beginning on or after 1 January 2024, with their early adoption being permitted. The Company will consider the impact of all of the above on its Financial Statements, although they are not expected to have any effect. The above have not been adopted by the European Union.

***Amendments to IFRS 16 "Leases: Lease liability in a Sale and Leaseback" (applicable for annual periods beginning on or after 01/01/2024)***

In September 2022, the IASB issued a limited-purpose amendment to IFRS 16 "Leases" which adds to the requirements for how a company accounts for a sale and leaseback after the transaction date. The sale and leaseback is a transaction in which a company sells an asset and leases the same asset back for a period of time from the new owner. IFRS 16 includes requirements relating to the accounting treatment of a sale and leaseback at the date of the transaction. However, the Standard did not specify how the transaction was measured after that date. The amendments are added to the requirements of IFRS 16 concerning the sale and leaseback, thereby supporting the consistent application of the accounting standard. These amendments will not change accounting for leases other than those arising from a sale and leaseback transaction. The Company will consider the impact of all of the above on its Financial Statements, although they are not expected to have any effect. The above have not been adopted by the European Union.

## 2.4 Merger by asborption of subsidiary TensorFin Single Person SA

On 05/05/2022, there was entered in the General Commercial Registry (GEMI) with entry code no. 2617399, the decision no. 4259/05-05-2022 by the GEMI Service of the Chamber, which approved the merging of sociétés anonyme "Qualco Information Systems Single-member SA" with the distinctive title "Qualco" (the "Acquiring company") and "Tensorfin Software Engineering Single-member SA" with the Distinctive Title "TensorFin Single-member SA" (the "Acquired company") by the latter being asbsorbed by the former, according to the provisions of Law 4601/2019, of Law 4548/2018 and Article 54 of Law 4172.2013, as in force and on the basis of the Merger Agreement Plan of the merging companies dated 31/1/2022, the minutes of the Ordinary General Meeting of their Shareholders dated 31/3/2022 and the act no. 28.328-14 /4/2022 of Athens notary Theresia Dalli-Polizoi.
Given that the absorbing company held 100% of the shares of the absorbed, the combination of provisions of Article 35 of Law 4601/2019 were applied. More specifically, by way of exception, there was no application of the provisions of Article 7, paragraph 2 (b), (c) and (d); Article 9; Article 10, Article 18, paragraph 2 (b); and Article 19 of Law 4601/2019. Therefore, inter alia:
(1) The Boards of Directors of the companies participating in the merger were not required to draw up a detailed written explanatory report.
(2) The examination of the Merger Agreement Plan by experts was not required in order to establish the law of the swap relationship.
All the operations and transactions of the absorbed company until the completion of the Merger were considered, from an accounting point of view, to have been made on behalf of the absorbed company and not the absorbing company, while the profit or loss which arose during this period, benefited the asbsorbed company exclusively.
The carrying amount of the net assets (Assets and Liabilities of the absorbed company based on the IFRS) amounted to EUR 1,172,378 on 05/05/2022 and is analyzed as follows:

| **ASSETS** | **05/05/2022** |
|---|---|
| **Non-current assets** | |
| Intangible assets | 806,788 |
| Other non-current receivables | 6,000 |
| **Total non-current assets** | **812,788** |
| | |
| **Current assets** | |
| Trade and other receivables | 463,803 |
| Other receivables | 4,664 |
| Cash and cash equivalents | 444,545 |
| **Total current assets** | **913,012** |
| **Total assets** | **1,725,800** |
| | |
| **EQUITY AND LIABILITIES** | |
| **Equity** | |
| Share capital and share premium | 752,060 |
| Retained earnings | 420,318 |
| **Total equity** | **1,172,378** |
| | |
| **Liabilities** | |
| **Long-term liabilities** | |
| Deferred tax liabilities | 133,521 |
| Liabilities for personnel retirement benefits | 59,319 |
| **Total non-current liabilities** | **192,840** |
| | |
| **Current liabilities** | |
| Suppliers and other payables | 59,326 |
| Other tax liabilities | 52,148 |
| Deferred income | 57,445 |
| Other liabilities | 105,113 |
| Current tax liabilities | 86,550 |
| **Total current liabilities** | **360,582** |
| Liabilities linked to assets held for sale | |
| **Total liabilities** | **553,422** |
| **Total equity and liabilities** | **1,725,800** |

## 2.5 Foreign currency translation

### (a) Functional and presentation currency.

The financial statements are presented in Euro, which is the functional and the presentation currency of the Company's Financial Statements.

### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Profits and losses from foreign exchange differences that result from the settlement of such transactions during the period and from the conversion of monetary items denominated in foreign currency using the rate in effect as of the date of the Statement of Financial Position are recorded in the results.

## 2.6 Tangible fixed assets

Fixed assets are depicted in the financial statements at acquisition cost, less any accumulated depreciation and any impairment provisions.

Depreciation is charged on the profit and loss account on the basis of the fixed depreciation method throughout the estimated useful life of the fixed assets. The estimated useful life of the most significant classes of tangible assets is as follows:

| S/N | Description | Useful Life |
|---|---|---|
| 1 | Mechanical equipment | 10 years |
| 2 | Transport means (passenger vehicles) | 8 years |
| 3 | Transport means (freight vehicles) | 6 years |
| 4 | Furniture and other Equipment | 5-10 years |
| 5 | Computer equipment | 5 years |

The useful lives of tangible fixed assets are subject to review at the date of each statement of financial position. When the book values of tangible fixed assets exceed the recoverable amounts, the difference (impairment) is expensed through profit and loss.
No residual value is calculated for all tangible fixed assets.
Upon sale of tangible fixed assets, any difference between the proceeds and their carrying value is recognized as profit or loss through the operating results. Repairs and maintenances are recorded in the relevant period's expenses.

## 2.7 Intangible fixed assets

The Company considers that the useful value of intangible fixed assets it holds is not unlimited.
Intangible assets are initially recognized at acquisition cost.
Subsequent to initial recognition:
(a) intangible assets with limited economic useful life are measured at acquisition cost less amortization and impairment losses, where impairment losses are considered to be permanent. Depreciation of intangible assets on the basis of a contractually determined period of use is made during that period. For items with no contractually defined period of use, depreciation is carried out over their estimated useful economic life.
Other intangible assets of the company involve:

**Expenditure on the development of new software programs**

(a) Expenditure on the development of new software programs are depreciated at a rate of 15%. Their cost value amounts to EUR 21,732,549 and at the end of the year they were depreciated by EUR 14,815,759.

**Software**

(b) Software acquisition expenditure that are depreciated at a rate of 20% per annum. Their acquisition value amounts to EUR 3,840,233 and at the end of the year they were depreciated by EUR 1,795,891.

**Program Licenses**

(c) Program licenses which are depreciated at a rate of 20% per annum. Their acquisition value was EUR 71,553 and at the end of the year they were depreciated by EUR 71,553.

**Other Intangible Assets**

d) Other intangible assets which are depreciated at a rate of 20% per annum. The acquisition value of these amounts to EUR 340,662 and they will start depreciating from 01/01/2023.

## 2.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand and demand deposits.

## 2.9 Share capital

The share capital concerns the common shares of the company and is included in total equity. Direct costs for the issuance of shares are charged in reduction of the proceeds of the issue from the share premium account.

## 2.10 Leases

**The Company as the Lessee:** Upon the entry into force of the agreement, the Company shall assess whether the agreement constitutes or contains a lease. If the concession grants a right to control the use of an identifiable asset over a period of time in exchange for a consideration, then the agreement constitutes or contains a lease. The lease duration is defined as the irrevocable period of the lease in combination with any additional time period for which the lessee has the right to extend the lease of the asset, as long as it is almost certain that the lessee will exercise this right, and an additional time period for which the lessee has the right to withdraw from the agreement, provided that it is almost certain that the lessee will not exercise that right. After commencement of the lease term, with the occurrence of a significant event or significant change in the conditions under its control, the Company, as a lessee, re-evaluates the lease duration. At the date of commencement of the lease term, the Company recognizes, as a Lessee, for each lease, a right-of-use asset and a liability resulting from the lease. The right-of-use asset is initially recognized at cost, which includes the amount of the initial recognition of the lease liability, any initial direct costs and the evaluation of the liability for any restoration costs relating to the asset, less any lease incentives received. After initial recognition, the right-of-use assets shall be measured at cost, less any accumulated depreciation and impairment losses, and adjusted at any re-evaluation of the liability resulting from the lease Depreciation shall be carried out in accordance with the straight-line method from the date of commencement of the lease term until the end of the useful life of the right-of-use asset or until the end of the lease duration; whatever occurs first. Right-of use assets shall be examined in each date of preparation of the financial statements for indications of impairment and if they have been impaired, they shall be adjusted to their recoverable value by an equal burden of the profit or loss. For short-term leases (where duration of the lease at the commencement date of the lease term is 12 months or less) and the leases in which the underlying asset has a high value, the Company does not recognize a right-of-use asset or a liability resulting from the lease, while, on the contrary, it recognizes lease payments of said leases as expenses with the straight-line method for the entire duration of the lease. The liability resulting from the lease is initially measured as the present value of lease payments which have not yet been made as at that date, less any lease incentives received. Loans consist of lease payments for fixed leases and variable leases that depend on an indicator (such as the CPI) or an interest rate, and are discounted by the marginal lending rate of the lessee. In determining the incremental borrowing rate (IBR), the interest rate of the secured Bank loan (secured funding) is used as a reference rate, adjusting for different currencies and taking into account the returns of the government bonds, where applicable. After the date of commencement of the lease term, the liability resulting from the lease is reduced by the lease payments, is increased by the financial expense and is re-evaluated for any re-evaluations or modifications of the lease.

**The Company as the Lessor:** When fixed assets are rented through finance leases, the current value of the lease payments is recorded as receivable. The difference between the gross amount of the receivable and the current value of the receivable is recorded as deferred financial income. The income from the lease is recorded in the results of the financial year of the leasing applying the method of net investment, which represents a fixed periodical return.
Fields leased through operating leases are included in tangible fixed assets of the statement of financial position. They are depreciated during their expected useful life on a basis consistent with similar tangible assets. The income from the lease payments (not including any incentives offered to the lessees) is recorded by applying using the straight-line method throughout the duration of the lease.

## 2.11 Income Tax & Deferred Tax

Tax expense is the aggregate amount included in the determination of the net profit or loss for the period and relates to the current and deferred tax under the applicable tax legislation.
Current tax is the amount of payable income tax imputed on the taxable profit for the period. Taxable profit differs from the net book value as shown in the statement of comprehensive income, as they are exclusive of any taxable or tax-exempt income or expenses in other years, and are also exclusive of assets which are never taxed or are tax-

exempt. Tax shall be calculated in accordance with the applicable tax rates established until the date of the statement of financial position or their average, in the case of non-current tax liabilities, and the applicable tax rates shall be changed by law.
Deferred tax is the amount of income tax to be paid or which is refundable in future periods and pertains to taxable or deductible temporary differences. Temporary differences are differences between the book value of an asset or liability in the statement of financial position and its tax base. Tax receivables and liabilities are not recognized if the temporary differences arise from goodwill or from the initial recognition (except for a business combination) of assets and liabilities from transactions that do not affect taxable or book profits.
Deferred tax liabilities relate to taxable temporary differences and deferred tax receivables relate to deductible temporary differences, transferable unused tax losses and transferable unused credit taxes.
The balance of deferred tax receivables shall be audited at each date of the statement of financial position or interim financial statements and shall be reduced by the amount which is no longer likely to be recovered due to inadequate taxable profits.
Deferred tax liabilities and receivables are valued at tax rates expected to be applied in the period in which the receivable or liability is settled, taking into account the tax rates established or substantially established until the date of the statement of financial position.
Deferred tax is posted in the income statement, except for that tax that pertains to transactions posted directly in equity. In this case it is correspondingly posted directly in equity.
Deferred tax receivables and liabilities are offset when the Company has a legitimate right to offset the amounts entered and also intends to either repay/settle the net balance or collect the receivable and pay the liability at the same time.

## 2.12 Liabilities for staff benefits due to retirement

Post-employment benefits include lump sum compensation for retirement, pensions and other benefits paid to employees upon the expiry of their employment as consideration for their service. The liabilities of the Company for retirement provisions refer both to defined contribution programs and defined benefit programs. The accrued cost of the defined contribution schemes is recorded as an expense in the period concerned.
(a) Defined contribution plan
Based on the defined contribution plan, the (legal) liability of the company is limited to the amount agreed to contribute to the institution (insurance fund) that manages the contributions and grants the benefits (pensions, health care, etc.). The accrued cost of the defined contribution schemes is recorded as an expense in the period concerned.
(b) Defined benefit plan
The defined benefit plan relates to its legal obligation to pay the staff a lump sum compensation on the date of departure of each employee from service due to retirement.
In accordance with Law 2112/20 and Law 4093/2012, the Company pays to each employee compensation in case of retirement or dismissal from employment. The amount of compensation is related to the longevity of the employment and the salary of the employee at the time of dismissal or retirement. The establishment of the right to participate in these plans is carried out through the distribution of benefits in the last 16 years until the date of retirement of employees following the scale of Law 4093/2012.
The liability recorded in the Statement of Financial Position for defined benefit plans is the present value of the defined benefit liability and the changes resulting from any actuarial gain or loss and the cost of prior service. The commitment of the defined benefit is calculated annually by an independent actuary, using the projected unit credit method.
For discounting the 2022 fiscal year, the selected interest rate follows the trend of iBoxx AA Corporate Overall 7-10 EUR indices, which is considered as complying with the principles of IAS 19, i.e. is based on bonds corresponding in terms of currency and estimated term to the benefits to employees, as appropriate for long-term provisions.
A defined benefits plan determines, based on various parameters such as age, years of service, salary, specific obligations for benefits to be paid. The provisions relating to the period are included in the relevant staff costs in the accompanying simple and consolidated income statements and consist in the current and past service costs, related financial costs, actuarial gains or losses and any possible additional charges. Regarding the non-recognised actuarial gains or losses, the revised IAS 19 is followed, which introduces a series of amendments in the accounting of defined benefit plans, including:

- the recognition of actuarial profits/losses in other comprehensive income and final exemption thereof from the income statement;
- the non-recognition of the expected returns of investments in profit and loss and the recognition of the relevant interest over the net liability/(receivables) of the benefit calculated using the discount interest method used for the measurement of the defined benefit liability;
- the recognition of past service cost in profit and loss earlier than the dates of the project or when the relevant restructuring or the termination benefit is recognised;
- other changes include new notifications, such as the quantitative sensitivity analysis.

(c) Provision for staff compensation

The amount of the provision for staff compensation is based on an actuarial study. The actuarial study includes the substantiation of assumptions related to the discount rate, the rate of increase of employees' wages, the increase of the consumer price index and the expected

## 2.13 Provisions

Forecasts are formed when:

- There is a current obligation (legal or inferred) as a result of a past event;
- It is likely that an outflow of resources will be required to settle the liability,
- The amount required can be reliably assessed.

Provisions are reviewed at the end of each fiscal year and adjusted to reflect best possible estimates.
Provisions are calculated at the present value of the expenses that, on the basis of management's best estimate, are required to meet this obligation at the date of the statement of financial position. The discount rate used to define the present value reflects the current market estimates of the time value of money, and any increases concerning said liability.

## 2.14 Revenue and expense recognition

**Revenue from the provision of services:** Revenue from the provision of services is recognized in the period during which the services are rendered, based on the stage of completion of the service in relation to the overall services provided.
**Revenue from sales of goods:** Revenue is measured at the fair value of the consideration which has been collected or will be collected and represents the amounts receivable for goods sold, provided under the normal course of operation of the Company, net of discounts, VAT and other sales-related taxes. The Company recognizes in profit or loss for the fiscal year the sales of the goods at the time when the benefits and risks associated with the ownership of these goods are transferred to the customer.
**Interest income:** Revenue from interest is accounted for based on the accrual principle.
**Income from dividends:** Dividends or any revenue from participation in the equity of other entities are listed as income when approved by the competent body responsible for their distribution. Rights are listed as income under the relevant contract terms.
**Expenses:** Expenses are recognized on an accrual basis. Payments realized for operating leases are carried over to the income statement as expenses over the time of use of the leased element. Interest expenses are recognized on an accrual basis.

## 2.15 Financial instruments

### i) Initial recognition

A financial asset or a financial liability is recognized in the statement of financial position of the Company when it arises or when the Company becomes part of the contractual terms of the instrument.
Financial assets are classified, at initial recognition, and subsequently measured at amortized cost, fair value through other comprehensive income and fair value through profit or loss. The Company initially values the financial assets at their fair value. Trade receivables (which do not contain a significant asset) are valued at the transaction value.
The classification of financial assets at initial recognition is based on the contractual cash flows of the financial assets and the business model within which the financial asset is held.

### ii) Classification and subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in the following categories:

*(a) Financial assets valued at fair value through profit or loss*
Financial assets valued at fair value through profit or loss include financial assets held for commercial purposes, financial assets identified at initial recognition at fair value through profit or loss, or financial assets that must be valued at fair value. Financial assets are classified as held for trading if acquired for the purpose of sale or repurchase in the near future. Derivatives including incorporated derivatives shall also be classified as held for trading unless designated as effective hedging instruments. Cash flow financial assets other than capital and interest payments are classified and valued at fair value through profit or loss, regardless of business model.

*(b) Financial assets at amortized cost*
The Company assessed the financial assets at amortized cost if both of the following conditions are met: 1) The financial asset is retained for holding financial assets for the collection of contractual cash flows and 2) the contractual clauses of the financial asset generate cash flows on specific dates that constitute only capital payments and interest on the balance of the initial capital. Financial assets at amortized cost are subject to impairment. Profit and loss is recognized in the profit or loss statement when the asset is recognized, modified or impaired.

*(c) Financial assets classified at fair value through other comprehensive income*
Upon initial recognition, the Company may choose to irrevocably classify its equity investments as equity securities determined at fair value through other comprehensive income when they meet the definition of equity and are not held for trading. The classification is determined by financial instrument. Profit and loss on these financial assets are never recycled into the profit and loss statement. Equity securities determined at fair value through other comprehensive income are not subject to impairment. The Company has classified as "at fair value through other comprehensive income" its investments in companies at a percentage of 20% or lower.

**iii) Re-recognition**

A financial asset is mainly de-recognized when:
• The cash flow rights from the asset have expired, or
• The Company has transferred its rights to receive cash flows from the asset or has undertaken the obligation to pay in full the received cash flows without significant delay to a third party under an agreement and either (a) has effectively transferred all the risks and benefits of the asset or (b) has not transferred or held substantially all the risks and estimates of the asset, but has transferred the control of the asset.

**iv) Impairment**

The Company recognizes a provision for impairment against expected credit losses for all financial assets that are not measured at fair value through profit or loss. Expected credit losses are based on the difference between all contractual cash flows payable under the contract and all cash flows that the Company expects to collect. For customer receivables and contractual assets, the Company apply the simplified approach for the calculation of expected credit losses. Therefore, at each reporting date, the loss provision for a financial instrument is measured at an amount equal to the expected credit losses over a lifetime without monitoring changes in credit risk.

**v) Offsetting of financial receivables and liabilities**

Financial receivables and liabilities are offset and the net amount is presented in the Statement of Financial position only where the Company holds the legal right to do so and intends to offset them on a clear basis between them or to retrieve the financial asset and offset the liability at the same time. The statutory right should not depend on future events and should be capable of being executed in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

## 2.16 Determination of fair value

The company classifies fair value measurements using a fair value hierarchy that reflects the importance of the inputs used to make those measurements. The hierarchical levels of fair value are as follows:

- Level 1: official quoted market prices (unadjusted) in markets with significant trading volume for similar assets or liabilities
- Level 2: inputs other than quoted market prices included in Level 1, that are observable for the asset or liability, either directly (e.g. prices) or indirectly (i.e. as a derivative of prices)
- Level 3: inputs for the asset or liability not based on observable market data (non-observable inputs).

The following table shows the three levels of categorization of the financial assets of the company measured at fair value on 31.12.2022:

| **Financial assets measured at fair value** | **Fair Value** | **Fair Value Hierarchy** | | |
|---|---|---|---|---|
| | **31/12/2022** | **Level 1** | **Level 2** | **Level 3** |
| Domestic shares not listed on the stock exchange | 2,550,585 | - | 2,550,585 | - |
| Foreign shares not listed on the stock exchange | 1,028,119 | - | 1,028,119 | - |
| Domestic shares listed on the Athens Stock Exchange | 293,355 | 293,355 | - | - |
| | **3,872,059** | **293,355** | **3,578,704** | **-** |

**Valuation methods and assumptions**

The fair value of financial assets and liabilities is the amount at which the asset could be sold or the liability transferred to a normal transaction between market participants, other than a forced sale or liquidation.
The following method was used for the Evaluation of Fair Value at Level 1:

- The fair value of the listed shares (classified as "Shares listed on the domestic Stock Exchange CNL CAPITAL valued at fair value through other comprehensive income") derives from the closing stock price at the Athens Stock Exchange at the reporting date.

The following method was used for the Evaluation of Fair Value at Level 2:

- The unlisted shares (classified as "Domestic Shares not listed on the Stock Exchange" are the shares held by the Company in Linked Business SA, Clever Services SA, and Convert Group Consulting SA, while the Foreign Shares not listed on a Foreign Stock Exchange are the shares held by the Company in Bricklane Technologies), are measured at fair value through other comprehensive income and their measurement is estimated in relation to expected revenue and pre-tax profits for the subsequent years. Valuation through this model requires management to make certain assumptions about the model's data, including estimated revenue, credit risk and volatility. The probabilities of the different estimates within the range can be reliably estimated and are used in the management estimate for the fair value of these not listed shares.

## 2.17 Goverment grants

### 2.17.1 Asset-related grants

Asset-related grants are goverement grants offered on the condition that the company entitled to them must buy, or build non-current assets.
Government grants are registered where there is reasonable assurance that:
a) The undertaking will comply with the conditions governing them.
b) The grants will be collected.
Asset-related goverment grants are presented as a revenue for subsequent years and are systematically recorded in revenue during the useful life of the asset.

### 2.17.2. Result-related grants

Result-related goverment grants are recorded in a systematic and rational manner in the revenue of the periods which these grants involve along with the respective costs.

## 2.18 Subsidiaries and associates

The subsidiaries are the companies in which the Company participates in more than 50% of their share capital. They are the businesses over which the Company can exercise a significant influence but which do not satisfy the conditions to be designated either as subsidiaries or as participation in a joint venture. Investments in subsidiaries and associates are initially recognized at the cost representing the fair value of the transaction price.

## 2.19 Distribution of dividends

The distribution of dividends to the shareholders of the Company is recorded as a liability in the financial statements when distribution is approved by the General Meeting of Shareholders.

## 3. Significant accounting judgments, assessments and assumptions

The preparation of the financial statements in accordance with IFRS requires the Management to make significant assumptions, estimates and judgments that affect the published information regarding assets and liabilities, as well as contingent receivables and liabilities as at the date the financial statements were prepared and the published amounts of income and expenses during the reporting period. The actual results may differ from the estimated ones.
Estimates and judgments are constantly re-evaluated and are based on both past experience as well as on other factors, including the expectations of future events, which are considered reasonable based on the given circumstances. The Management's assessments and judgments are constantly reviewed and are based on historical data and expectations for future events that are considered reasonable under the current circumstances.
Specifically, amounts that are included or affect the financial statements and the relevant disclosures should be assessed, requiring assumptions to be made by the Management regarding the values or conditions that cannot be known with certainty at the time of preparation of the financial statements. A "critical accounting estimate" is one that combines relevance in the presentation of the financial statements of the company and its results and requires more difficult, subjective or complex judgments to be made by the Company's Management, and often there is a need for estimates regarding the impact of events that are considered as endogenously uncertain. The Company evaluates such judgments on a continuous basis, based on historical data and experience, expert advice, trends and methods that are considered reasonable in relation to the circumstances, as well as forecasts on how these may change in the future.

**Recognition of expenses for the development of software programs**

The recognition of expenses, attributed to the development of software programs in the Company, as intangible assets, in the financial statements is realized only when it is probable that the future financial benefits that will arise from the intangible assets will flow to the Company. In estimating the future financial benefits, the Company takes into account the technical possibility to complete the intangible asset in order to make it available for sale or use, the existence of a market for the product that produces the intangible asset or whether to use the intangible asset internally and the ability to reliably measure the costs that will be attributed to the intangible asset during its development.

**Provisions for impairment of receivables**

With regard to the unsecured trade receivables, the Company applies the simplified approach of IFRS 9 and calculates the expected credit losses throughout the life of the receivables. For this purpose it uses a table of provisions of credit loss based on the maturity of the balances which used the historical data on credit losses, adjusted for future factors in relation to debtors and the economic environment. Doubtful receivables are evaluated one by one to calculate the relevant provision. The amount of the provision is recognized in the statement of comprehensive income.

**Contingent receivables and liabilities**

The Company may be involved in litigation and receivables during the normal course of its operation. The Management is of the opinion that any settlements reached will not significantly affect the financial position of the Company as presented at December 31, 2022. However, identifying contingent liabilities related to litigation and receivables is a complex process, requiring judgments about the outcome and application of laws and regulations. A change in crises or implementation may result in an increase or decrease in the company's contingent liabilities in the future. The Management estimates that sufficient provisions have been made to address any liabilities related to litigation.

**Income tax**

In order to determine the Company's income tax liability, a judgment needs to be made. During the normal course of business, various transactions and calculations take place the exact calculation of the tax of which is uncertain. If the final taxes assessed after the tax audits are different from the amounts initially reported, such differences will affect the income tax and the provisions for deferred taxes in the financial year in which the tax differences were determined.

## 4. Financial risk management

### 4.1 Financial risk factors

The Company is exposed to various financial risks, such as market risk (currency and interest rate risk, etc.), credit risk and liquidity risk. Financial risks are associated with the following financial instruments: accounts receivable, cash and cash equivalents, accounts payable and other liabilities and debt liabilities.
Risk management is monitored by the financial management and is formed within the framework of directives, guidelines and rules approved by the Board of Directors concerning interest rate risk, credit risk, as well as short-term investment of cash.

**(a) Market risk**

Market risk is related to the business sectors where the Company operates. The Company operates, as it is known, in a highly competitive and highly demanding international environment, which is changing rapidly, and has been trying, over the last years systematically and based on a specific development plan, to strengthen its extroversion with stable and safe steps, not in a single direction, but in the geographical areas of strategic interest, with emphasis on cutting-edge technologies and the continuous technological upgrade of the products and solutions it provides, while at the same time developing new activities and promoting its entry into new markets, in order to further enhance its competitiveness, given in fact that the domestic market presents highly negative prospects, due to the ongoing recession.
Its specialized know-how, its many years of experience and presence in the field, its organization and active involvement of all its managers, its wide recognition in combination with the design, development and marketing of new products, but also the continuous improvement and upgrading the existing ones, placing emphasis on the quality and immediate satisfaction of the demand and the changing needs of the final customers, as well as the creation of strong infrastructures and the penetration in new markets, help the Company to remain competitive, despite the inherent problems faced by the industry, which have become particularly acute in the context of the economic crisis.
The limited and controlled financial exposure of the Company and its significant qualitative and product differentiation, combined with the continuous development and upgrading of its products, are its main weapons to minimize the negative effects of the unprecedented economic crisis, however, it is expected that in the current period revenue and overall results will inevitably be affected, due to the intensity and duration of the phenomenon and the general situation of suffocation and lack of liquidity in the market, resulting in a large part of the broad customer base targeted by the Company to suspend their investment projects and postpone their modernization projects.

**(i) Foreign exchange risk**

Currency risks arise from transactions made in foreign currencies. The Company carries out commercial operations with foreign companies, and as a consequence, is substantially exposed to foreign exchange risk, although most of its transactions are in Euro (€).
In particular, the foreign exchange risk arises occasionally, in particular when consultants' fees arise, as well as project costs incurred in foreign currencies. The Company controls and assesses periodically, separately but also jointly, its exposure to foreign exchange risk and will use derivative financial instruments if required to limit such risk.
The analysis of the financial assets and liabilities of the Company by currency converted into Euros on 31/12/2022 and 31/12/2021 is as follows:

| | **31/12/2022** | **31/12/2021** |
|---|---|---|
| Financial receivable at foreign currency | 181,994 | 362,604 |
| Financial liabilities at foreign currency | 273,719 | 103,621 |
| **TOTAL** | **(91,725)** | **258,983** |

The table below shows the sensitivity of the result of the year as well as of equity in case the rate of +/- 10% changes in relation to the financial assets, financial liabilities and the exchange rate of EURO

| | +10% | -10% | +10% | -10% |
|---|---|---|---|---|
| | 31/12/2022 | | 31/12/2021 | |
| | GBP | | GBP | |
| Effect on pre-tax profit and loss | (10,359) | **10,359** | 30,630 | **(30,630)** |
| Effect on equity | (10,359) | **10,359** | 30,630 | **(30,630)** |

**ii) Cash flow risk and risk arising from fair value change due to a change in interest rates**

The Company's exposure to risk from interest rate fluctuations results from loans at floating rates. The Company is exposed to interest rate fluctuations seen on the market, which affect its financial position and cash flows.

The cost of debt may increase as a result of these changes thus creating losses, or it can decrease on the occurrence of unexpected events. It should be noted that the fluctuation in interest rates in recent years has been caused primarily by the increase in spreads due to the lack of liquidity in the Greek banking market and the estimated risk of Greek companies, and, to a lesser extent, by the increase in base interest rates (e.g. Euribor).

As regards long-term borrowings, the Management systematically and constantly monitors interest rate fluctuations and assesses the need to take relevant positions to hedge risks, when and if necessary. The Company constantly monitors rate trends. Decisions on loan terms as well as the relation between variable and fixed interest rate are considered separately on a case by case basis.

The changes in interest rates will have the following effect on the long-term borrowing of the Company.

| **31/12/2021** | | |
|---|---|---|
| | **+0.5%** | **-0.5%** |
| Effect on equity | 74,263 | (74,263) |
| Effect on profit and loss | (74,263) | 74,263 |

| **31/12/2022** | | |
|---|---|---|
| | **+0.5%** | **-0.5%** |
| Effect on equity | 76,063 | (76,063) |
| Effect on profit and loss | (76,063) | 76,063 |

**(b) Credit risk**

Credit risk is the possible non-timely repayment to the Company of the existing and contingent liabilities of its counterparties and consists mainly of commercial and other receivables, as well as cash and cash equivalents.

Trade receivables come from a large customer base. Because of the prevailing conditions in the market, extremely strict control is exercised over new contracts and the procedures for monitoring progress of works, invoices and receipts. A large part of its trade receivables is insured against credit risk by obtaining letters of guarantee for the execution of contracts from banking institutions.
Cash and cash equivalents also involve potential credit risk. In such cases, the risk may arise from counterparty failure to fulfill their obligations towards the Company. In order to deal with this credit risk, the Company, in the framework of the policies approved by the Boards of Directors, cooperates with financial institutions of high investment credit rating and continuously evaluates and sets limits on the degree of exposure to each individual financial institution.
Furthermore, a large part of its receivables relate either to receivables from the Greek State or to receivables that correspond to liabilities to the Greek State. In the Management's view, appropriate provisions are recognized for losses arising from impairment of receivables due to specific credit risks.

The maturity of financial assets as of 31 December 2022 and 2021 for the company is as follows:

| | 31/12/2022 | 31/12/2021 |
|---|---|---|
| **Not overdue and not impaired** | 7,104,882 | 1,947,132 |
| ***Overdue and not impaired:*** | | |
| < 3 months | 2,542,873 | 2,942,176 |
| 3 - 6 months | 1,466,160 | 309,480 |
| 6 months - 1 year | 942,111 | 1,200,757 |
| Over 1 year | 1,326,410 | 1,750,920 |
| | **6,277,554** | **6,203,333** |
| Less: Provisions for impairment | (1,110,287) | (1,102,164) |
| | **(1,110,287)** | **(1,102,164)** |
| **Total net trade receivables** | **12,272,149** | **7,048,301** |

**(c) Liquidity risk**

The Company manages its liquidity needs by carefully monitoring its long term financial obligations, as well as day-to-day payments. Liquidity needs are monitored in different time periods, daily and weekly, as well as by 30-day rotation. Long-term liquidity needs for the next 6 months and the next year are established on a monthly basis.

| | Within 1 year | 1-5 years | Over 5 years | Total |
|---|---|---|---|---|
| Suppliers and other payables | 7,994,692 | | | **7,994,692** |
| Lease liabilities | 2,494,941 | 11,891,484 | 2,754,837 | **17,141,262** |
| Bank Loans | 6,411,547 | 12,824,574 | | **19,236,121** |
| Other liabilities | 12,851,656 | | 28,501 | **12,880,157** |
| **Total liquidity risk** | **29,752,835** | **24,716,058** | **2,783,338** | **57,252,232** |

| | 01/01 - 31/12/2021 | | | |
|---|---|---|---|---|
| | **Within 1 year** | **1-5 years** | **Over 5 years** | **Total** |
| Suppliers and other payables | 8,170,979 | | | **8,170,979** |
| Lease liabilities | 1,956,666 | 8,338,378 | 6,744,345 | **17,039,388** |
| Bank Loans | 6,230,185 | 12,550,726 | | **18,780,910** |
| Other liabilities | 10,200,698 | | 53,701 | **10,254,399** |
| **Total liquidity risk** | **26,558,528** | **20,889,104** | **6,798,046** | **54,245,677** |

**(d) Geopolitical risk**

The recent geopolitical events in Ukraine have caused uncertainty in the world markets. The Company is not active in Ukraine and Russia, and the turnover in these countries is zero.

## 4.2 Risk of technological developments

Technological developments have a major impact on the competitiveness of IT companies. Companies operating in the IT sector must be constantly updated of possible changes in existing technology and make the necessary investments to ensure a high level of technology.
In addition, the feasibility of the consolidated research expenditure for the development of new software achieved should be regularly reviewed.

Based on the above and for the greatest possible reduction of the risk of technological developments, the Company:

- develops products on highly efficient and internationally recognized platforms;
- provides continuous training to its personnel on technological issues, in cooperation with internationally recognized bodies specialized in high-tech industries;
- offers innovative applications that are appropriate to the needs and requirements of the market;
- renews and enriches its staff.

For the above reasons this risk is not assessed as particularly significant during the given time period.

## 4.3 Cash management

The company's objectives with regard to capital management are as follows:

- to ensure its capability to continue to operate as a going-concern; and
- to ensure a satisfactory return to shareholders.

The Company monitors its capital on the basis of the amount of equity plus subordinated loans, less cash and cash equivalents, as these are shown in the Statement of Financial Position.
Equity and comprehensive funds used as well as the leverage rates for 2022 and 2021 are analyzed in the following table:

| | **31/12/2022** | **31/12/2021** |
|---|---:|---:|
| Total loans and leases | 36,377,383 | 35,820,298 |
| Less: Cash and cash equivalents | 15,018,080 | 17,286,456 |
| **Net borrowing** | **21,359,304** | **18,533,842** |
| **Total equity** | **35,585,930** | **27,383,369** |
| **Leverage factor** | **60.02%** | **67.68%** |

**5. Tangible fixed assets**

| | Building installations on third party properties | Machinery | Passenger cars | Furniture and other equipment | Total |
|---|---|---|---|---|---|
| **Acquisition value** | | | | | |
| **Start balance as at 01/01/2021** | **2,035,503** | **93,322** | **21,680** | **3,883,554** | **6,034,058** |
| Additions | 1,457,854 | 37,981 | - | 2,039,801 | 3,535,636 |
| Write-offs - Sales | (9,199) | | | (3,220) | (12,419) |
| **Balance as at 31/12/2021** | **3,484,158** | **131,303** | **21,680** | **5,920,135** | **9,557,276** |
| **Accumulated depreciation** | | | | | |
| **Start balance as at 01/01/2021** | **521,960** | **93,321** | **18,115** | **2,424,588** | **3,057,984** |
| Write-offs - Sales | (8,643) | | | (3,220) | (11,863) |
| Depreciation | 480,654 | 540 | 2,168 | 450,257 | 933,620 |
| **Balance as at 31/12/2021** | **993,971** | **93,861** | **20,283** | **2,871,626** | **3,979,740** |
| **Net book value 31/12/2021** | **2,490,187** | **37,442** | **1,397** | **3,048,509** | **5,577,536** |
| **Acquisition value** | | | | | |
| **Opening balance as on 01/01/2022** | **3,484,158** | **131,303** | **21,680** | **5,920,135** | **9,557,276** |
| Additions | 2,038,256 | | | 2,183,949 | 4,222,205 |
| Write-offs - Sales | | | | (22,597) | (22,597) |
| **Balance as on 31/12/2022** | **5,522,414** | **131,303** | **21,680** | **8,081,487** | **13,756,884** |
| **Accumulated depreciation** | | | | | |
| **Opening balance as on 01/01/2022** | **993,971** | **93,861** | **20,283** | **2,871,626** | **3,979,740** |
| Write-offs - Sales | | | | (6,668) | (6,668) |
| Depreciation | 365,660 | 3,798 | 1,397 | 908,613 | 1,279,469 |
| **Balance as on 31/12/2022** | **1,359,631** | **97,659** | **21,680** | **3,773,571** | **5,252,541** |
| **Net book value 31/12/2022** | **4,162,783** | **33,644** | **0** | **4,307,916** | **8,504,343** |

### 6. Intangible assets

| | **Software development costs** | **Computer software programs** | **Other Intangible Assets** | **Total** |
|---|---|---|---|---|
| **Acquisition value** | | | | |
| **Start balance as at 01/01/2021** | **16,420,012** | **1,544,246** | | **17,964,258** |
| Additions | 998,676 | 819,417 | - | 1,818,093 |
| **Balance as at 31/12/2021** | **17,418,688** | **2,363,663** | **0** | **19,782,350** |
| **Accumulated amortization** | | | | |
| **Start balance as at 01/01/2021** | **10,244,406** | **1,326,907** | | **11,571,314** |
| Amortization | 2,448,463 | 207,337 | - | 2,655,800 |
| **Balance as at 31/12/2021** | **12,692,869** | **1,534,244** | **0** | **14,227,114** |
| **Net book value 31/12/2021** | **4,725,818** | **829,418** | **-** | **5,555,237** |
| **Acquisition value** | | | | |
| **Opening balance as on 01/01/2022** | **17,418,688** | **2,363,663** | **0** | **19,782,350** |
| Merger of subsidiary (Note 2.4) | 1,091,136 | | | 1,091,136 |
| Additions | 3,222,725 | 1,476,571 | 340,662 | 5,039,958 |
| **Balance as on 31/12/2022** | **21,732,549** | **3,840,233** | **340,662** | **25,913,444** |
| **Accumulated amortization** | | | | |
| **Opening balance as on 01/01/2022** | **12,692,869** | **1,534,244** | **0** | **14,227,114** |
| Merger of subsidiary (Note 2.4) | 284,348 | | | 284,348 |
| Amortization | 1,838,541 | 261,646 | - | 2,100,187 |
| **Balance as on 31/12/2022** | **14,815,759** | **1,795,891** | **0** | **16,611,649** |
| **Net book value 31/12/2022** | **6,916,790** | **2,044,343** | **340,662** | **9,301,795** |

### 7. Investments in subsidiaries and associates

At 31/12/2022, investments in subsidiaries are analyzed as follows:

| **Investments in subsidiaries (all unlisted)** | **31/12/2022** | **31/12/2021** |
|---|---|---|
| Shares in QQuant Master Servicer SA | 4,500,000 | 4,500,000 |
| Shares in Qualco (UK) Limited | 1,210,434 | 1,210,434 |
| Shares in Qualco France | - | 100,000 |
| Shares in Qualco Cyprus Ltd. | - | - |
| Shares in Tensorfin SA (*) | - | 1,076,000 |
| Shares in Daedalus Technologies FZE | 50,000 | 50,000 |
| | **5,760,434** | **6,936,434** |

| | | % of participation | |
|---|---|---|---|
| **Name** | **Headquarters** | **31/12/2022** | **31/12/2021** |
| Qquant Master Servicer SA | Greece | 100% | 100% |
| Qualco (UK) Limited | United Kingdom | 93.75% | 93.75% |
| Qualco Cyprus Ltd | Cyprus | 100% | 100% |
| Qualco France | France | 1% | 1% |
| Tensorfin SA (*) | Greece | 0% | 100% |
| Deadalus Technologies | United Arab Emirates | 100% | 100% |

(*) Tensorfin SA merged with Qualco SA on 05/05/2022 (see note 2.4).

At 31/12/2022, investments in associates are analyzed as follows:

| **Investments in associates** | **31/12/2022** | **31/12/2021** |
|---|---|---|
| Shares not listed on the domestic Stock Exchange CNL AEDOEE | 300,000 | 300,000 |
| Shares not listed on the domestic Stock Exchange PQH Single Special Liquidation SA | 8,350 | 8,350 |
| | **308,350** | **308,350** |

| | | % of participation | |
|---|---|---|---|
| **Name** | **Headquarters** | **31/12/2022** | **31/12/2021** |
| PQH Single Special Liquidation SA | Greece | 33.33% | 33.33% |
| CNL AEDOEE | Greece | 20% | 20% |

**8. Deferred taxation**

Below are the main deferred tax liabilities and assets recognized by the Company and their changes during the current and previous reporting period.

| | **31/12/2022** | **31/12/2021** |
|---|---|---|
| **Deferred tax receivables** | | |
| Tangible fixed assets | (29,799) | 38,190 |
| Other intangible assets | (5,115) | 104,369 |
| Liabilities for personnel retirement benefits | 86,741 | 55,565 |
| Doubtful receivables | 170,444 | 170,444 |
| **Total deferred tax receivables** | **222,271** | **368,568** |

| | Tangible fixed assets | Other intangible assets | Other current liabilities | Doubtful receivables | Liabilities for personnel retirement benefits | Qualco SA |
|---|---|---|---|---|---|---|
| **Start balance as at 01/01/2021** | **69,239** | **301,865** | **-155,613** | **170,444** | **236,672** | **622,607** |
| (Charge) / Credit to profit and loss | -31,049 | -197,497 | 155,613 | | -179,585 | -252,517 |
| (Charge)/Credit to other comprehensive income | | | | | -1,522 | -1,522 |
| **Balance as at 31/12/2021** | **38,190** | **104,369** | **0** | **170,444** | **55,565** | **368,568** |
| **Opening balance as on 01/01/2022** | **38,190** | **104,369** | **0** | **170,444** | **55,565** | **368,568** |
| Acquisition of company (Note 2.4) | | -133,521 | | | | -133,521 |
| (Charge) / Credit to profit and loss | -67,989 | 24,038 | | | 31,176 | -12,776 |
| **Balance as on 31/12/2022** | **-29,799** | **-5,115** | **0** | **170,444** | **86,741** | **222,271** |

## 9. Right of use assets

| | Rights of use of buildings | Rights of use of software | Right of use of telecommunication network and equipment | Rights of use of means of transport | Total |
|---|---|---|---|---|---|
| **Acquisition value** | | | | | |
| **Start balance as at 01/01/2021** | **8,397,441** | **281,164** | **1,628** | **522,659** | **9,202,893** |
| Additions | 9,916,433 | | | 327,530 | 10,243,963 |
| Reductions | (79,734) | | | | (79,734) |
| **Balance as at 31/12/2021** | **18,234,140** | **281,164** | **1,628** | **850,189** | **19,367,121** |
| **Accumulated depreciation** | | | | | |
| **Start balance as at 01/01/2021** | **649,612** | **222,136** | **1,368** | **168,037** | **1,041,153** |
| Depreciation | 1,478,838 | 24,684 | 261 | 178,686 | 1,682,469 |
| **Balance as at 31/12/2021** | **2,128,450** | **246,820** | **1,628** | **346,723** | **2,723,622** |
| **Net book value 31/12/2021** | **16,105,690** | **34,344** | **0** | **503,466** | **16,643,500** |
| **Acquisition value** | | | | | |
| **Opening balance as on 01/01/2022** | **18,234,140** | **281,164** | **1,628** | **850,189** | **19,367,121** |
| Additions | 2,006,595 | | | 225,758 | 2,232,354 |
| **Balance as on 31/12/2022** | **20,240,736** | **281,164** | **1,628** | **1,075,947** | **21,599,475** |
| **Accumulated depreciation** | | | | | |
| **Opening balance as on 01/01/2022** | **2,128,450** | **246,820** | **1,628** | **346,723** | **2,723,622** |
| Depreciation | 2,242,835 | 34,344 | - | 218,667 | 2,495,846 |

| | | | | | |
|---|---|---|---|---|---|
| **Balance as on 31/12/2022** | **4,371,286** | **281,164** | **1,628** | **565,390** | **5,219,468** |
| **Net book value 31/12/2022** | **15,869,450** | **0** | **0** | **510,557** | **16,380,007** |

### 10. Financial assets

At 31/12/2022, current and non-current financial assets are analyzed as follows:

| **Non-current financial assets** | **31/12/2022** | **31/12/2021** |
|---|---|---|
| Bond loans at amortized cost | 420,000 | 420,000 |
| Other investments at amortized cost | 1,424,932 | |
| Financial assets valued at fair value through other comprehensive income | 3,578,704 | 2,000,000 |
| Financial assets valued at fair value through profit or loss | 293,355 | 253,061 |
| **Other intangible assets** | **5,716,991** | **2,673,061** |

| **Current financial assets** | **31/12/2022** | **31/12/2021** |
|---|---|---|
| Bond loans at amortized cost | 8,000,000 | - |
| Other investments at amortized cost | 1,557,200 | - |
| Loans to related parties | 3,148,875 | 15,110,536 |
| Receivables from related parties | 809,183 | 788,183 |
| **Other intangible assets** | **13,515,258** | **15,898,719** |

Non-current and current financial assets are further analyzed into the following categories:

| **Financial assets valued at fair value through other comprehensive income** | **31/12/2022** | **31/12/2021** |
|---|---|---|
| Shares in domestic companies (i) | 2,550,585 | 2,000,000 |
| Shares in foreign companies (ii) | 1,028,119 | - |
| | **3,578,704** | **2,000,000** |

| **Financial assets valued at fair value through profit or loss** | **31/12/2022** | **31/12/2021** |
|---|---|---|
| Shares listed on the Athens Stock Exchange (iii) | 293,355 | 253,061 |
| | **293,355** | **253,061** |

| **Financial assets at amortized cost** | **31/12/2022** | **31/12/2021** |
|---|---|---|
| Zero coupon bonds (iv) | 7,000,000 | - |
| Bond loans (v) | 1,420,000 | 420,000 |
| Treasury bills (vi) | 1,261,583 | - |
| Corporate bonds (vi) | 894,659 | - |
| Government bonds (vi) | 825,889 | - |
| Loans to related parties (vii) | 3,148,875 | 15,110,536 |
| Receivables from related parties | 809,183 | 788,183 |
| | **15,360,189** | **16,318,719** |

**% of participation**

| **Name** | **Headquarters** | **31/12/2022** | **31/12/2021** |
|---|---|---|---|
| Linked Business SA | Greece | 10% | 10% |
| Clever Services SA | Cyprus | 15% | 15% |
| CNL CAPITAL EKES-DOEE | Greece | 4% | 4% |
| Convert Group Consulting SA | Greece | 1% | - |
| Bricklane Technologies Ltd. | United Kingdom | 2.5% | - |

(i) Domestic shares include the Company's investments in Linked Business SA, Clever Services SA and Convert Group Consulting SA. Specifically:

During the year, the Company invested in Linked Business SA an additional amount of € 350,000. As at 31/12/2022, total investment amounted to € 1.6 million.

Qualco also owns a 15% investment in Clever Services SA, which, at 31/12/2022, amounted to € 750,000.

Qualco also participated in the capital increase of Convert Group Consulting SA in September 2022 by paying € 200,584 and acquiring a 1.03% stake in the company.

(ii) During the current fiscal year Qualco issued a convertible loan to Bricklane in the amount of € 1,028,000 (GBP 850,000) which was converted into shares in the capital of Bricklane in November 2022.

There were three types of participants during the Bricklane capital increase:

a. participating companies with a price of EUR 5,80 per share; b. participating individuals with a price of EUR 5,80 per share; and c. conversion of shares from loans with a price of EUR 3,30 per share. Qualco was the third choice.

The Company estimates that it will maintain its investments in the long run and therefore values these investments at fair value through other comprehensive income. These investments have been categorized at level 2 in accordance with IFRS 13 Fair Value Measurement as the inflows used to measure fair value are the expected income and profit before tax for the following years.

iii) Additionally, the Company has invested in 39,114 units in CNL Capital AEKES-DOEE, which is listed in the Athens Stock Exchange, acquiring 4.99% of the total shares, and measures the investment at fair value through profit or loss (measurement value at 31/12/2022: € 293,355).

(iv) The financial assets at amortized cost include 3 redeemable bonds issued by Astrobank Public Company Limited with a total value of € 7 million which are payable till November 2023. The bonds have no interest from their issue date until their call date. Qualco estimates that the bonds will be paid at their call date, so no interest is calculated. Furthermore, Astrobank Public Company Limited paid the first installment in February 2023. The Company received the 3 Astrobank bonds from the affiliated company Qualco FIN Ltd in the context of loan repayment with a total value of € 9.6 million that the latter received from the Company in the past. More specifically, the repayment of the loan by Qualco FIN Ltd was made through the payment of € 2.6 million in cash and through the transfer of the aforementioned bonds with a total value of € 7 million.

(v) The Company has issued a bond loan of € 1,000,000 to CNL CAPITAL EKES-DOEE, repayable in 2023 at an interest rate of 3.70%. In addition, it has issued a bond loan of € 420,000 to CNL CAPITAL AEDOEE, repayable in 2024 with an interest rate of 3.90%.

(vi) The Company has invested in treasury bonds, corporate bonds and government bonds of high credit rating with a maturity of less than 2 years, in the context of its cash investing.

(vii) The loans to affiliated companies include an interest-bearing loan to the parent company Qualco Holdco Limited worth € 2.7 million as well as lower-value loans to other companies of the Qualco Holdco group. The decrease in the current fiscal year is due to the repayment of the loan by the affiliated company Qualco Fin Ltd, as well as the repayment by the parent company of two loans with a total value of € 2.5 million.

The Company presents the above financial assets under (iv), (v), vi) and vii) at the amortized cost as the Company intends to collect the cash flows arising from the relevant agreements (contracts).

### 11. Other non-current receivables

| | 31/12/2022 | 31/12/2021 |
|---|---|---|
| Rent Guarantees | **556,850** | **467,430** |

### 12. Trade and other receivables

| | 31/12/2022 | 31/12/2021 |
|---|---|---|
| Customers | 13,382,436 | 8,150,465 |
| Less: Provisions for doubtful customers | (1,110,287) | (1,102,164) |
| **Final trade receivables** | **12,272,149** | **7,048,301** |
| **Total** | **12,272,149** | **7,048,301** |

The change in the provision for doubtful receivables is broken down as follows:

| | 31/12/2022 |
|---|---|
| **Balance as at 31/12/2021** | **(1,102,164)** |
| Provisions during the year | (8,123) |
| **Balance as on 31/12/2022** | **(1,110,287)** |

| | 31/12/2022 | 31/12/2021 |
|---|---|---|
| **Not overdue and not impaired** | 7,104,882 | 1,947,132 |
| ***Overdue and not impaired:*** | | |
| < 3 months | 2,542,873 | 2,942,176 |
| 3 - 6 months | 1,466,160 | 309,480 |
| 6 months - 1 year | 942,111 | 1,200,757 |
| Over 1 year | 1,326,410 | 1,750,920 |
| | **6,277,554** | **6,203,333** |
| Less: Provisions for impairment | (1,110,287) | (1,102,164) |
| **Total net trade receivables** | **12,272,149** | **7,048,301** |

### 13. Current tax receivables

| | 31/12/2022 | 31/12/2021 |
|---|---|---|
| Advance income tax | 4,847,657 | 2,099,350 |
| Withholding income tax | 621,360 | 55,640 |
| **Total** | **5,469,017** | **2,154,990** |

### 14. Accrued income

The Company recognizes income when this can be reliably measured and it is probable that the economic benefits of the transaction will flow to the Company. Income comprises the fair value of the sale of goods and services, net of value-added tax, discounts and rebates.

Accrued income is analyzed as follows:

| | 31/12/2022 | 31/12/2021 |
|---|---|---|
| **Contracts in progress as at the balance sheet date:** | | |
| Accrued income | 10,519,696 | 9,795,685 |
| **Total** | **10,519,696** | **9,795,685** |

Accrued income for the year relates to services provided to customers in 2022, which will be invoiced in 2023 in accordance with the relevant contracts.

### 15. Other receivables

| | 31/12/2022 | 31/12/2021 |
|---|---|---|
| Advances to staff | 18,977 | 35,909 |
| Other third parties - Accounts payable | 15,601 | 550,169 |
| Expenses of subsequent financial years | 1,197,931 | 639,048 |
| Value added tax receivable | 1,712,518 | 2,749,695 |
| Receivables from related parties (Note 33) | - | 7,000,000 |
| **Total** | **2,945,027** | **10,974,822** |

The Company's expenses for subsequent years, amounting to € 1,197,931 (2021: € 639,048), relate to the expenses of law firms and other consulting companies related to the Company's investment movements, which will be completed in 2023 (were completed in 2022, respectively).

### 16. Cash and cash equivalents

| | 31/12/2022 | 31/12/2021 |
|---|---|---|
| Cash in hand | - | - |
| Sight deposits | 15,018,080 | 17,286,456 |
| **Total** | **15,018,080** | **17,286,456** |

### 17. Share capital and reserves

As at 31/12/2022, the total issued ordinary shares of the Company amounts to € 849,213 and is divided into 28,934 ordinary shares, with a par value of EUR 29.35 each and a share premium of € 6,390,150.

| | Number of shares | Share capital | Premium reserves | Total |
|---|---|---|---|---|
| **Balance as at 1 January 2021** | **28,934** | **849,213** | **6,390,149** | 7,239,362 |
| **Balance as at 31 December 2021** | **28,934** | **849,213** | **6,390,149** | **7,239,362** |
| **Balance as on 1 January 2022** | 28,934 | 849,213 | 6,390,149 | 7,239,362 |
| **Balance as on 31 December 2022** | **28,934** | **849,213** | **6,390,149** | **7,239,362** |

The share capital has been paid in full.

The following table analyzes the Company's reserves:

| **Other inventories** | **31/12/2022** | **31/12/2021** |
|---|---|---|
| Legal reserve | 283,071 | 159,120 |
| Other reserves | 2,422,260 | 2,419,352 |
| | **2,705,331** | **2,578,472** |

| | | |
|---|---|---|
| Other reserves are analyzed as follows: | | |
| INTEREG III Program | 28,000 | 28,000 |
| NSRF Manufacturing Program | 125,202 | 125,202 |
| Development Law 3299 | 957,808 | 957,808 |
| Reassessment of staff benefit payables | 56,277 | 53,369 |
| ICT4GROWTH | 1,310,213 | 1,310,213 |
| Capital increase costs | (55,240) | (55,240) |
| **Total** | **2,422,260** | **2,419,352** |

**Ordinary (legal) Reserve**

According to Greek corporate law, companies are required to transfer 5% of their profit after tax to the ordinary reserve until their ordinary reserve is equal to 1/3 of the share capital. This reserve may not be distributed, but can be used to offset losses.

**18. Bank lending**

| | **31/12/2022** | **31/12/2021** |
|---|---|---|
| **Long-term borrowing** | | |
| Bond loan | 12,824,574 | 12,550,726 |
| **Total long-term loans** | **12,824,574** | **12,550,726** |
| **Short-term borrowing** | | |
| Bank lending | 6,316,723 | 6,189,428 |
| Credit Cards | 94,824 | 40,757 |
| **Total short-term loans** | **6,411,547** | **6,230,185** |
| **Total loans** | **19,236,121** | **18,780,911** |

On 25/05/2022, the Company received a long-term loan by Piraeus Bank, amounting to € 1,000,000, with an interest rate of 3.30% plus Euribor. The repayment of the loan will take place by 30/6/2027 with the payment of quarterly installments.

The maturity of loan liabilities is broken down as follows:

| **Loan liabilities** | **31/12/2022** | **31/12/2021** |
|---|---|---|
| Up to 1 year | 6,411,547 | 6,230,185 |
| Between 1 year and 5 years | 12,824,574 | 12,550,726 |
| | **19,236,121** | **18,780,910** |

The analysis of cash flows from financing activities is presented below:

| **31/12/2021** | | |
|---|---|---|
| | **+0.5%** | **-0.5%** |
| Effect on equity | 74,263 | (74,263) |
| Effect on profit and loss | (74,263) | 74,263 |
| **31/12/2022** | | |
| | **+0.5%** | **-0.5%** |
| Effect on equity | 76,063 | (76,063) |
| Effect on profit and loss | (76,063) | 76,063 |

### 19. Lease liabilities

| | **31/12/2022** | **31/12/2021** |
|---|---|---|
| Non-current lease liabilities | 14,646,322 | 15,082,722 |
| Current lease liabilities | 2,494,941 | 1,956,666 |
| **Total** | **17,141,262** | **17,039,388** |

| | **Up to 1 year** | **Between 1 year and 5 years** | **Over 5 years** | **Total** |
|---|---|---|---|---|
| Lease liabilities | 3,269,915 | 13,974,456 | 2,876,604 | **20,120,975** |
| Less: Amounts that constitute financial expenses | (774,974) | (2,082,972) | (121,767) | **(2,979,713)** |
| **Total present value of minimum future payments** | **2,494,941** | **11,891,484** | **2,754,837** | **17,141,262** |

### 20. Provisions for staff indemnity due to exit from employment

| The change in the present value of the obligation for the defined benefit plans is as follows: | **31/12/2022** | **31/12/2021** |
|---|---|---|
| Defined benefits liability | **394,277** | **252,566** |

*The amounts posted in the Statement of Financial Position are as follows:*

| The following amounts are recognized in the Income Statement: | **31/12/2022** | **31/12/2021** |
|---|---|---|
| Current employment costs | 67,748 | 83,701 |
| Interest costs | 1,138 | 559 |
| Past service cost | 8,304 | 14,784 |
| Cost (result) of settlements | 71,965 | 15,649 |
| Loss due to staff acquisition | 11,690 | - |
| Cost of indemnities paid within the year | (75,228) | (16,100) |
| **Total costs posted in the Income Statement** | **85,616** | **98,593** |

| The amounts posted in other total income of the Statement of Other Comprehensive Income are: | **31/12/2022** | **31/12/2021** |
|---|---|---|
| Actuarial (gains)/losses from changes in financial assumptions | 53,649 | 2,664 |
| Actuarial gains/(losses) from the acquisition of experience | 3,050 | 4,254 |
| Acquisition of a subsidiary | (59,824) | - |
| (Earnings) Losses due to other adjustments to the current value of the liability | 6,855 | - |
| **Total income/(expenses) recognized in other comprehensive income** | **3,729** | **6,918** |

| The change in the present value of the obligation for the defined benefit plans is as follows: | **31/12/2022** | **31/12/2021** |
|---|---|---|
| Defined benefits liability as at 1st January | 252,566 | 160,891 |
| Acquisition of a subsidiary | 59,824 | - |
| Total costs posted in the Income Statement | 85,616 | 98,593 |
| Total income/(expenses) recognized in other comprehensive income | (3,729) | (6,918) |
| **Defined benefits liability as at 31st December** | **394,277** | **252,566** |

| | | |
|---|---|---|
| Defined benefits liability as at 1st January | 252,566 | 160,889 |
| Acquisition of a subsidiary | 59,824 | - |
| (Earnings) Losses due to other adjustments to the current value of the liability | 64,659 | - |
| Current employment costs | 67,748 | 83,701 |
| Interest costs | 1,138 | 559 |
| Benefits paid | (75,228) | (16,100) |
| Cost (result) of settlements | 71,965 | 15,649 |
| Past service cost | 8,304 | 14,784 |
| Actuarial (gains)/losses from changes in financial assumptions | (53,649) | (2,664) |
| Actuarial gains/(losses) from the acquisition of experience | (3,050) | (4,254) |
| **Defined benefits liability as at 31st December** | **394,277** | **252,566** |

| The significant actuarial assumptions used for the valuation are as follows: | **31/12/2022** | **31/12/2021** |
|---|---|---|
| Discount rate as at 31 December | 3.63% | 0.45% |
| Future salary increases | 2023: 8.00%<br>2024: 6.00%<br>2025: 3.80%<br>2026+: 2.8% | 2% |
| Average remaining working life | 22.91 | 22.30 |
| Average financial term | 9.16 | 10.98 |

Sensitivity analysis of changes in the main assumptions for pension benefits are:

| | **Discount rate + 0.1%** |
|---|---|
| Increase/(decrease) in the defined benefit liability | (3,358) |
| | **Future salary increases + 0.1%** |
| Increase/(decrease) in the defined benefit liability | 3,389 |

### 21. Other long-term liabilities

| | **31/12/2022** | **31/12/2021** |
|---|---|---|
| Rent Guarantees | 28,501 | 53,701 |
| **Total** | **28,501** | **53,701** |

### 22. Suppliers and other payables

| | **31/12/2022** | **31/12/2021** |
|---|---|---|
| Creditors | 7,994,692 | 7,880,979 |
| Checks payable | - | 290,000 |
| **Total** | **7,994,692** | **8,170,979** |

### 23. Other tax liabilities

| | **31/12/2022** | **31/12/2021** |
|---|---|---|
| Payroll taxes-duties | 1,003,105 | 585,673 |
| Third parties’ taxes - duties | 46,247 | 575,220 |
| Other taxes - duties | 98,223 | 104,656 |
| Tax settlements payable | - | 1,760,084 |
| Taxes - Duties of previous years | 1,691 | 1,691 |
| **Total** | **1,149,266** | **3,027,324** |
| | | |
| **Current tax liabilities** | 1,149,266 | 2,442,520 |
| **Long-term tax liabilities** | - | 584,804 |
| | **1,149,266** | **3,027,324** |

### 24. Deferred income

| **Deferred income** | **31/12/2022** | **31/12/2021** |
|---|---|---|
| Deferred income | 2,032,893 | 1,918,619 |
| **Total** | **2,032,893** | **1,918,619** |

Deferred income relates to invoiced support services, which will accrue in the next fiscal year.

### 25. Other liabilities

| | **31/12/2022** | **31/12/2021** |
|---|---|---|
| Staff fees due | 18,792 | 18,792 |
| Accrued expenses | 11,460,039 | 8,360,676 |
| Insurance Bodies | 1,072,825 | 1,347,230 |
| Other creditors | 300,000 | 474,000 |
| **Total** | **12,851,656** | **10,200,698** |

### 26. Current tax liabilities

| | **31/12/2022** | **31/12/2021** |
|---|---|---|
| Income tax clearance account - annual income tax return | 9,475,671 | 7,861,534 |
| **Total** | **9,475,671** | **7,861,534** |

### 27. Income Tax

| | **01/01 - 31/12/2022** | **01/01 - 31/12/2021** |
|---|---|---|
| Current tax expense | (6,171,296) | (6,391,922) |
| Deferred income tax | 59,312 | (252,517) |
| **Total** | **(6,111,984)** | **(6,644,439)** |
| Profit before Tax | 25,891,318 | 22,927,410 |
| Tax rate | 22% | 22% |
| **Expected Tax Expense** | **(5,696,090)** | **(5,044,030)** |
| Effect of tax rate changes | - | (33,645) |
| Other expenses not recognized for discount | (1,328,290) | (1,297,870) |
| Tax impact of deduction of research and development costs | 660,000 | 660,000 |
| Other | 252,396 | (928,894) |
| **Total tax** | **(6,111,984)** | **(6,644,439)** |

For the fiscal years 2011 to 2021, the Company has been subject to the tax audit by the Chartered Auditors Accountants provided for in Article 65A of Law 4174/2013. Furthermore, the Company has been audited by a regular tax audit for

the years 2014 to 2016. The Company has not received a Tax Compliance Report for 2020 and 2021 (the reports are expected within the 2023 fiscal year) although the Management is not expecting significant tax liabilities upon completion of the tax audit other than those recorded and presented in the financial statements.
For the 2022 fiscal year, the tax audit conducted by the Chartered Auditors Accountants for obtaining a Tax Compliance Report is in progress. The Management is not expecting significant tax liabilities upon completion of the tax audit other than those recorded and presented in the financial statements.

## 28. Revenue

| | 01/01 - 31/12/2022 | 01/01 - 31/12/2021 |
|---|---|---|
| Sales of products | 18,453,107 | 14,200,959 |
| Provision of services | 99,275,890 | 80,472,077 |
| **Total** | **117,728,997** | **94,673,036** |

Revenues from the provision of services mainly concern sales of licenses as well as services of technical support, maintenance and implementation of the portfolio management platform.

## 29. Operating Expenses by category

| | 01/01 - 31/12/2022 | | | |
|---|---|---|---|---|
| | **Cost of Sales** | **Administrative Expenses** | **Sales & marketing expenses** | **Total** |
| Payroll and other benefits to employees | 14,556,745 | 9,087,863 | 9,669,542 | **33,314,150** |
| Taxes | -4,358 | 399,485 | 2,095 | **397,223** |
| Other Expenses | 849,893 | 2,076,625 | 1,345,952 | **4,272,469** |
| Depreciation | 1,849,362 | 4,020,020 | 0 | **5,869,382** |
| Professional fees and legal fees | 11,831,807 | 3,227,626 | 4,416,297 | **19,475,729** |
| Outsourcing | 21,940,719 | 228,621 | 0 | **22,169,340** |
| Facilities costs | 0 | 1,169,823 | 1,128 | **1,170,952** |
| Advertising & promotion costs | 36,577 | 1,161,860 | 1,563,409 | **2,761,846** |
| Travel expenses | 202,944 | -568,441 | 2,446,584 | **2,081,087** |
| Inventories used | 995,376 | 0 | 0 | **995,376** |
| **Total** | **52,259,066** | **20,803,482** | **19,445,007** | **92,507,555** |

| | 01/01 - 31/12/2021 | | | |
|---|---|---|---|---|
| | **Cost of Sales** | **Administrative expenses** | **Sales & marketing expenses** | **Total** |
| Payroll and other benefits to employees | 10,604,884 | 5,651,765 | 5,790,861 | **22,047,510** |
| Taxes | 46,255 | 15,947 | 121 | **62,324** |
| Other Expenses | 534,084 | 2,194,033 | 371,798 | **3,099,916** |
| Depreciation | 2,448,463 | 2,811,591 | 0 | **5,260,054** |
| Professional fees and legal fees | 7,526,049 | 2,620,001 | 2,431,417 | **12,577,466** |
| Outsourcing | 23,686,380 | 97,415 | 0 | **23,783,795** |
| Facilities costs | 0 | 821,093 | 0 | **821,093** |
| Advertising & promotion costs | 0 | 273,457 | 853,252 | **1,126,709** |
| Travel expenses | 51,454 | 77,846 | 936,836 | **1,066,136** |
| Inventories used | 697,595 | 0 | 0 | **697,595** |
| **Total** | **24,616,478** | **7,027,564** | **1,666,701** | **70,542,597** |

### 30. Other Income/Expenses and Other Profit/Losses

| | **01/01 - 31/12/2022** | **01/01 - 31/12/2021** |
|---|---|---|
| **Various operating expenses** | | |
| Credit currency translation differences | 10,231 | 85,712 |
| Extraordinary and non-operating revenue | 88,953 | 24,113 |
| Revenue from previous years | - | 43 |
| Other income | 1,498,761 | 1,462,490 |
| Rents | 749,658 | 389,050 |
| **Total** | **2,347,603** | **1,961,408** |
| | | |
| **Various operating expenses** | | |
| Fines and surcharges | 65,202 | 231,242 |
| Extraordinary and non-operating expenses | 145,075 | 2,098,735 |
| Debit currency translation differences | 76,071 | 110,203 |
| Other expenses of previous years | 55,585 | 60,458 |
| **Total** | **341,933** | **2,500.638** |

Other Revenue refers mainly to revenue from the provision of support services within the Qualco Holdco Group.

### 31. Financial Income and Expenses

| | | |
|---|---|---|
| **Financial income** | | |
| Interest income | 776,590 | 345,498 |
| | **776,590** | **345,498** |
| **Financial expenses** | | |
| Expenses and interest on bank loans | 1,243,978 | 371,083 |
| Commissions paid for letters of guarantee and other related bank charges | 33,383 | 89,119 |
| Interest and rental costs | 835,023 | 549,095 |
| | **2,112,383** | **1,009,297** |
| **Net financial expenses** | **1,335,793** | **663,799** |

### 32. Benefits to employees

| | **01/01 - 31/12/2022** | **01/01 - 31/12/2021** |
|---|---|---|
| Salaries, wages, and allowances | 31,039,877 | 19,384,130 |
| Social security expenses | 2,189,290 | 2,533,578 |
| Redundancy payments | 84,983 | 67,601 |
| Other benefits to employees | - | 62,202 |
| **Total** | **33,314,150** | **22,047,510** |

In 2022 the Company employed an average of 450 people while in 2021 it employed an average of 281 people.

## 33. Transactions with related parties

| | Trade liabilities | | Financial liabilities | |
|---|---|---|---|---|
| **Payables to affiliates** | **2022** | **2021** | **2022** | **2021** |
| Qualco Holdco Limited | - | - | 32 | 32 |
| Qualco (UK) Limited | 482,387 | 163,388 | - | - |
| Other affiliates | 164,786 | 59,047 | - | - |
| **Total** | **652,064** | **222,436** | **32** | **32** |

| | Trade receivables | | Financial receivables | |
|---|---|---|---|---|
| **Receivables from affiliates** | **2022** | **2021** | **2022** | **2021** |
| Qualco Holdco Limited | 29,657 | 929,475 | 2,765,529 | 5,364,509 |
| Qualco (UK) Limited | 511,499 | 650,785 | 787,823 | 787,823 |
| Qualco France | 390,924 | 353,562 | - | - |
| Qualco Cyprus Ltd | 0 | - | 21,000 | - |
| QQuant Master Servicer SA | 1,946,680 | 1,738,331 | - | - |
| Qualco Fin Limited | - | - | 209,540 | 9,705,997 |
| CNL AEDOEE | - | - | 420,000 | 420,000 |
| Other affiliates | 341,546 | 41,452 | 171,838 | 40,360 |
| **Total** | **3,140,306** | **3,713,605** | **4,375,730** | **16,318,688** |

| **Purchases from / Sales to affiliates** | Sales of goods and services | | Purchases of goods and services | |
|---|---|---|---|---|
| | **2022** | **2021** | **2022** | **2021** |
| Qualco Holdco Limited | 344,380 | 305,908 | - | - |
| Qualco (UK) Limited | 108,800 | 274,962 | 1,965,881 | 1,320,760 |
| Qualco France | 99,171 | 105,847 | - | - |
| QQuant Master Sevicer SA | 2,985,533 | 2,542,456 | 656,060 | 744,990 |
| PQH Single Special Liquidation SA | 1,365,073 | 1,664,242 | - | - |
| Qualco Fin Limited | 763,052 | 130,997 | - | - |
| Other affiliates | 518,680 | 36,590 | 1,558,568 | 1,379,250 |
| **Total** | **6,167,949** | **5,061,001** | **4,180,509** | **3,445,000** |

| **Remuneration of members of the Board of Directors and Managing Executives** | **2022** | **2021** |
|---|---|---|
| Salaries and other benefits to employees | 2,569,614 | 2,634,749 |
| **Total** | **2,569,614** | **2,634,749** |

| **Dividends / Interim dividends** | **2022** | **2021** |
|---|---|---|
| Receivable from Qualco Holdco Limited | - | 7,000,000 |
| Liability to Qualco Holdco Limited | 600,000 | 7,000,000 |

## 34. Contingent assets and liabilities

At 31/12/2022, the Company's valid letters of guarantee amounted € 564,149.

## 35. Events after the date of preparation of the statement of financial position

On 17 February 2023 the Company completed the acquisition of a property in the center of Athens for a total consideration of EUR 6,2 million. The property will be used as an additional office space for employees. The acquisition was financed by a bond loan of € 4.7 million granted by Optima Bank with a duration of 5 years, while the remaining amount was paid in cash by the Company.

On 3 March 2023 the Company acquired a 51% stake in company AI Synthetica Solutions Limited for a total acquisition consideration of EUR 2,66 million. Synthetica designs, manufactures and installs software solutions related to the fields of artificial intelligence, machine learning and the Internet of Things (IoT). With this transaction, the Company aims to expand its technological footprint and thus enter new business sectors and further diversify its own sources of revenue and the sources of Qualco Group, under which it operates.

On 22 March 2023, the Company acquired 30% of the shares of Indice SA for a consideration of EUR 1.8 million. Indice S.A. has developed a digital activation platform and specializes in the design, development and distribution of software products and applications with an emphasis on the management of non-performing loans and receivables. With this transaction, the Company aims to expand its product portfolio, as well as use the expertise of Indice for the implementation of new business sectors within the Company and the Qualco Group.

On 17 January 2023 the Board of Directors of the Company approved the distribution to the shareholders of a temporary dividend of EUR 5,0 million from the profits of the year 2022. The dividend was paid to the parent company Qualco Holdco Limited on 21 January 2023.

Maroussi, Attica, Greece 24 April 2023

| The Chairman of the Board | The CEO | For the Accounting Office |
|---|---|---|
| Tsakalotos Orestis | Georgantzis Miltiadis | Computax SA |
| ID Card No AB 287794 | ID Card No AB 570411 | ID Card No 094306420, License No. 85 |
| | | GOUMA ISMINI |