ANNUAL FINANCIAL REPORT

for the period from

1 January to 31 December 2018

Prepared in accordance with the International Financial Reporting Standards (IFRS)

N. Kifisia, 22/4/2019

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A. Audit Report by Independent Certified Public Accountant

To the Shareholders of SINGULARLOGIC S.A.

Audit Report on the Separate and Consolidated Financial Statements

Opinion

We have audited the attached separate and consolidated financial statements of "SINGULARLOGIC S.A.” (the Company), which comprise the separate and the consolidated statement of financial position on 31 December 2018, the separate and consolidated comprehensive income statements, the statements of changes in equity and the cash flow statements for the fiscal year that ended on the above date, along with a summary of important accounting policies and methods and other explanatory notes.

In our opinion, the attached separate and consolidated financial statements give a fair view, in all material respects, of the financial position of the Company and its subsidiaries (the Group) on 31 December 2018, their financial performance and cash flows for the year which ended on that date in line with the International Financial Reporting Standards as adopted by the European Union.

Basis for opinion

We performed our audit in accordance with the International Standards on Auditing (ISA), as these have been integrated into Greek Legislation. Our responsibilities under these standards are further described in the “Auditor’s Responsibilities for the Audit of the separate and consolidated financial statements” section of our report. During our audit, we remained independent of the Company and its consolidated subsidiaries, in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code) as incorporated into Greek legislation and the ethical requirements relevant to the audit of the separate and consolidated financial statements in Greece and we have fulfilled our responsibilities in accordance with current legislation requirements and the requirements of the aforementioned IESBA Code. We believe that the audit evidence we have obtained is adequate and appropriate to provide a basis for our opinion.

Material uncertainty over continuing as going concern

We draw your attention to note 9.1 to the financial statements, where it is stated that the total amount of the Group and Company's short-term liabilities are in excess of the total current assets by €66.41 million and €63.99 million respectively, and also that the Group is negotiating with credit institutions to restructure its existing loan liabilities.

The aforementioned circumstances imply the existence of substantial uncertainty about the uninterrupted continuation of activities of the Group and the Company. The successful completion of restructuring of the above is a key prerequisite for the adequacy of the Group's and the Company's working capital. As noted in the same note, Management has planned the actions needed to improve the financial position both of the Group and the Company and to ensure their uninterrupted operation, a condition that has been taken into account when preparing the attached financial statements according to the going concern principle.

Our opinion does not contain any qualification concerning this matter.

Other information

Management is responsible for the other information. Other information is included in the Board of Directors' Management Report to which reference is made in the "Report on Other Legal and Regulatory Requirements" but does not include the financial statements or the audit report thereupon.

Our opinion on the separate and consolidated financial statements does not apply to the other information and we do not express any kind of conclusion on assurance thereupon.

In relation to our audit of the separate and consolidated financial statements, our responsibility is to read the other information and thus consider whether such other information is materially inconsistent with the separate and consolidated financial statements or the knowledge we acquired during our audit or otherwise seems to be materially erroneous. If, based on the works we have carried out, we conclude that there is a material misstatement in relation to the other information, we are obliged to report this event. We have nothing further to report on this matter.

Management responsibility for the separate and consolidated financial statements

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

In preparing the separate and consolidated financial statements, Management is responsible for assessing the Company's and Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company and the Group or to cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the audit of the separate and consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate and the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high-level assurance but is not a guarantee that an audit conducted in accordance with ISAs, as incorporated into Greek Legislation, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate and consolidated financial statements.

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

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

We are responsible for the direction, supervision and performance of the audit of the Company and its subsidiaries. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

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

1. In our opinion, the Board of Directors’ Management Report has been prepared in accordance with applicable legal requirements of articles 43a and 107A and article 43bb(1) (cases c and d) of Codified Law 2190/1920 and its content matches that of the accompanying financial statements for the year ended on 31.12.2018.
2. Based on the knowledge we obtained from our audit for the Company SINGULARLOGIC S.A. and its environment, we have not identified any material misstatement to the Board's Management Report.

Athens, 23 April 2019

The Certified Public Accountant

Thanasis Xynas

Reg SOEL 34081

Grant Thornton
An instinct for growth™

Ορκωτοί Ελεγκτές Σύμβουλοι Επιχειρήσεων
Ζεφύρου 56, 17564 Παλαιό Φάληρο
Α.Μ. ΣΟΕΛ 127

SingularLogic

B. Annual Report of the Board of Directors on the consolidated and separate Financial Statements on the year from 1 January 2018 to 31 December 2018.

Dear Shareholders,

The present report of the Board of Directors concerns fiscal year 2018 and contains the true illustration of the performance of the Company's activities and its financial position, a report of the significant events during 2018, the significant events that occurred after the end of the fiscal year as well as the Company's prospects.

The report also includes a description of the main risks and uncertainties for the next fiscal year, a citation of the Group and Company's significant transactions with related parties, as well as non financial data - report of sustainable development.

1. General overview of the year - Macroeconomic environment

2018 was a year in which the Information Technology market was bolstered in Greece.

Meanwhile, in accordance with the Hellenic Statistical Authority's data, the growth rate of the Greek economy for 2018 was lower than anticipated as it dropped slightly in the 4th quarter, owing to a decrease in private investments.

According to such data, the growth rate of the company in 2018 remained at 1.9%, i.e. 0.2% lower than anticipated by the government but close to 2% which had been forecast by the European Commission.

2. Group's Economic Review

During the two fiscal years under review, 2017 and 2018, the Group demonstrates an increased geographical concentration of its sales volume in Greece, thus resulting in a high interrelation with the above described economic environment and the development of the sector in the country.

As a result, acting in the aforementioned economic environment, the Company and, therefore, the Group implemented the operating restructuring program prepared late 2017 with the ultimate goal of recording profits again, and managed to increase considerably its sales while also improving its profitability in quality terms.

Therefore, consolidated **sales** of SingularLogic Group in 2018 amounted to €41.5 million compared to €37.5 million in 2017, an increase of 10%. **Gross profit** amounted to €10 million compared to €6 million in 2017 with profit margin established at 24% in 2018 compared to 16% in 2017. Operating profit **EBITDA** amounted to €1.6 million compared to loss EBITDA €(4.7) million in 2017.

As regards working capital, loans and liquidity of the Group and the Company, these are analyzed extensively in section "2. Risk Management" of the present Report.

Sales breakdown

The table below sets out the breakdown of Group sales per revenue category for the period 01.01.2018-31.12.2018:

SALES PER BUSINESS ACTIVITY

(Amounts in euro)	1/1/2018-31/12/2018	%	1/1/2017-31/12/2017	%
Sales of software user licenses	3,167,950	7.63%	3,013,836	8.03%
Software maintenance sales	15,344,575	36.97%	14,733,272	39.24%
Sales of services	17,711,971	42.67%	14,994,154	39.94%
Sales of Merchandises	5,282,344	12.73%	4,802,911	12.79%
Total	**41,506,840**	**100.00**	**37,544,172**	**100.00**

3. Risk Management

The Group is exposed to such risks as foreign exchange risk, the risk from technological developments, credit and interest rate risks.

(a) Foreign exchange risk

The Group mainly operates in the EU and, therefore, its exposure to the foreign exchange risk is not considerable. Nevertheless, risk arises from commercial transactions in foreign currency and also from net investments in foreign entities, the net assets of which are exposed to foreign exchange risk (mainly in USD and the Romanian RON). The amount of these transactions is not significant and no exchange risk hedging is implemented.

(b) Risk related to Technological Developments

The technological developments pertaining to the business of IT companies may affect their competitiveness, thus giving rise to the need for ongoing update and renewal. Certain important and necessary variations in the existing technology may eventually require major investments and a period of operating consolidation with the current activity. In all events, it is noted that the Company uses its best efforts to be hedged at all times against the risk of diminished technological development in the following ways:

- By developing its products in widespread international platforms with an extensive lifecycle, which entail the respective investment in know-how on the part of the clientele;
- By being an expert in adopting and adapting its product development to state-of-the-art operating systems and technologies;
- By participating in European projects such as:

  - CloudDBAppliance "European Cloud In-Memory Database Appliance with Predictable Performance for Critical Applications"
  - BADGER "RoBot for Autonomous unDerGround trenchless opERations, mapping and navigation"
  - 5G-MEDIA "Programmable edge-to-cloud virtualization fabric for the 5G Media industry"
  - BPR4GDPR Business Process Re-engineering and functional toolkit for GDPR compliance
  - BOUNCE Predicting Effective Adaptation to Breast Cancer to Help Women to BOUNCE Back
  - FINSEC Integrated Framework for Predictive and Collaborative Security of Financial Infrastructures
  - COG-LO - COGnitive Logistics Operations through secure, dynamic and ad-hoc collaborative networks

for the unique purpose of being updated and recognizing the most innovative technologies and eventually incorporating them in its product development process.

(c) Credit risk and liquidity risk

The Group, in relation to trade and other receivables, is not exposed to highly important credit risks. Receivables derive from a large, wide customer base. The Group constantly monitors its receivables individually or per group and includes that information in credit controls. Where available, external reports or analyses on customers are used.

The Group manages its liquidity needs by carefully monitoring its debts, long-term and short-term financial liabilities and also the payments made daily. Liquidity needs are monitored in various time zones on a daily and weekly basis and on a rolling 30-day basis. Long-term liquidity requirements for the 6 months ahead and the following year are calculated each month. The maturity of the Group's and Company's financial liabilities on 31 December 2018 is broken down as follows:

	GROUP				COMPANY			
	31/12/2018				31/12/2018			
	Short-term		Long-term		Short-term		Long-term	
	Within 6 months	6 to 12 months	1 to 5 years	Over 5 years	Within 6 months	6 to 12 months	1 to 5 years	Over 5 years
Amounts in €								
Bonds payable next year	1,000,000	50,443,996	-	-	1,000,000	50,313,996	-	-
Finance lease obligations	-	2,493	5,850	-	-	-	-	-
Trade liabilities	3,531,811	4,493,609	-	-	4,552,630	3,006,070	-	-
Other short-term liabilities	8,571,232	6,682,482	197,602	-	7,829,920	6,164,333	-	-
Short-term borrowing	-	11,270,794	-	-	-	10,101,174	-	-
	13.103.043	**72,893,375**	**203,453**	-	**13.382.550**	**69,585,574**	-	-

	31/12/2017				31/12/2017			
	Short-term		Long-term		Short-term		Long-term	
	Within 6 months	6 to 12 months	1 to 5 years	Over 5 years	Within 6 months	6 to 12 months	1 to 5 years	Over 5 years
Amounts in €								
Bonds payable next year	52,789,716	-	130,000	-	52,789,716	-	-	-
Finance lease obligations	-	2,493	8,235	-	-	-	-	-
Trade liabilities	3,767,964	4,196,675	-	-	4,539,214	3,026,143	-	-
Other short-term liabilities	7,811,596	6,601,540	-	-	7,070,339	6,363,342	-	-
Short-term borrowing	5,411,236	-	-	-	4,235,717	-	-	-
	69,780,511	**10,800,708**	**138,235**	-	**68,634,986**	**9,389,484**	-	-

On 31/12/2018 both the Group and the Company demonstrate a negative working capital since the short-term liabilities are in excess of the current assets by €66,413 thousand and €63,990 thousand respectively, with the largest part of short-term liabilities referring to short-term borrowing.

On 31/12/2018 the Group's loans amount to €62,723 thousand, out of which an amount of €62,717 concerns short-term loan liabilities. Likewise, the Company's loans amount to €61,415 thousand and concern in total short-term loan liabilities. Short-term loan liabilities of the Group and the Company include bond loans of €51,314 thousand, while their contractual termination was on 31/01/2018. As part of its negotiations with the credit institutions having granted the above loans, the Company sent requests for consent regarding the extension of the loans' termination and was granted an extension until 31/10/2018. Following the above, in January 2019 the Company received consent for the extension of the bond loans until 31/01/2020 with retroactive effect from 31/10/2018. At the same time, on 31/12/2018 the financial terms regulating the above bank liabilities were not complied with.

SingularLogic's Management is in discussions with the creditor banks in order to achieve the restructuring of the said loans.

In light of the above and taking into consideration that the Management has no indications that the actions planned will not be concluded successfully, it is estimated that both the Group and the Company will not face any financing or liquidity issues within the next 12 months (see notes 9.1 and 13.19).

d) Interest rate risk

The Group is exposed to the variation risk of future cash flows due to change in the interest rates since it has issued corporate bonds and has obtained short-term loans at a floating rate.

4. Major events occurring during the fiscal year

4.1 NEW PROJECTS

- The Ministry of Education, after a tender, awarded SingularLogic - member of MIG Group, the projects for the purchase and installation of Information Technology and Communication (ITC) equipment for schooling units of Primary, Secondary and Technological Education in Northern Aegean Region, Central Greece and the Ionian Islands. These projects are co-financed by the European Union - European Regional Development Fund (ERDF) and from National Resources.
- General Commercial & Industrial S.A., one of the most important suppliers of industrial and hydraulic equipment in Greece and East European countries, selected Galaxy CRM by SingularLogic to optimize its selling processes and to upgrade the level of service and the experience of its customers.
  - Vodafone: Award of the project "BSS Applications Consulting & Development"
  - Papastratos: Award of the project "Tobacco Product Directive System"
  - Attica Group: Award of the project "SAP 4/HANA Implementation"
  - AXA: Award of the project "Web Presence Transformation on Liferay"
  - Protergia & Metka: Award of the project " B2B CRM & Billing Reform"
  - ALPHA SUPPORTING SERVICES: Fixed assets management of all ALPHA BANK subsidiaries
  - MEDITERRA (MASTIHA SHOPS): GALAXY ERP and CRM, routing of small and large retail XVAN vendors, RETAIL in stores.
  - LAVDAS: GALAXY ERP, Production management, production planning
  - TOP ELECTRONIC COMPONENTS: Galaxy ERP-CRM
  - BINGO: XVAN sales management
  - KONTELLIS I. PAVLOS: Warehouse Management System (WMS) and e-Commerce B2B for ordering by agents and partners.
  - ERGOTECH (RAVAGO GROUP): Galaxy ERP
  - IDEAL: Galaxy ERP
  - PAPAKYRIACOU A.M.: Galaxy CRM/LOYALTY
  - HERON: HRMS
  - GALENICA: Production Management
  - VIOKARPOS: Galaxy ERP

4.2 AWARDS - DISTINCTIONS

- In January 2018 SingularLogic's certification as Bronze Reseller & Service Partner from Tableau was completed successfully. The certification concerns the design and development of advanced Business Intelligence (BI) solutions and data analysis, in order to produce understandable information for the Tableau platform.

- In February 2018, SENSE ONE S.A. subsidiary, received an award from the World Information Technology and Services Alliance (WITSA) as one of the leading companies in the field of Internet of Things internationally.
- In September 2018, SingularLogic was awarded by Alliance For Digital Employability (AFDEmp) for its contribution to combating unemployment and strengthening youth employability in the Information Technology sector through its participation in Coding Bootcamps job creation programs.
- Two golden awards in BITE AWARDS 2018 in the Business Applications category in cooperation with HELEXPO-Thessaloniki International Fair for implementing Galaxy ERP and CRM integrated solution, and in the Retail trade category in cooperation with OXFORD COMPANY for implementing a project based on Galaxy platform.
- Silver award in BITE AWARDS 2018 in the category "Applications and Solutions for Central and Decentralized Public Administration" granted to eLocalGovernments.gr platform of citizen transactions with local governments, by SingularLogic.
- Bronze award in BITE AWARDS 2018 in the "Specialized Applications in Business Segments" category to AGRIPHARM application, which is based on Galaxy platform.
- SingularLogic was awarded the "Customer Advocacy Award" in "Oracle Partner Day CEE" that was held on 21/3/2018 in Bucharest.
- SenseOne was distinguished as Merit Winner in the "Emerging Digital Solutions Award" category in WITSA Global ICT Excellence Awards 2018 for its excellent performance in the themed markets of digital solutions for "Smart Buildings" and "Smart Cities".
- In April 2018, the Company's certification was successfully completed in accordance with ISO 20000-1:2011 on Information technology -- Service management.

4.3 ORGANIZATIONAL CHANGES

On 31/03/2018 the Chairman of the Company's Board of Directors passed away.

The company's Board of Directors was elected by the Extraordinary General Meeting of the Company's shareholders during its meeting held on 24/04/2018. Based on the minutes held during such meeting, the BoD was formally composed and it was further decided how the company would be represented and that non-Directors would be granted the right to represent the company. The said minutes were submitted to the competent service of the Athens Chamber of Commerce and Industry and the relevant notice was registered with number 1173926/21.05.2018 and was uploaded on the website of the General Commercial Registry (GEMI).

The members of the BoD are the following:

Georgios Konstantopoulos, father's name Panagiotis, Chairman and Managing Director
Georgios Efstratiadis, father's name Efstratios, Member
Christophe Henri Vivien, father's name Francois, Member
Anastasios Kyprianidis, father's name Georgios, Member
Stefanos Kapsaskis, father's name Konstantinos, Member

On 24/04/2018 the election and formation of the new three-member Audit Committee is announced. Its members are:

Georgios Efstratiadis, father's name Efstratios, Chairman
Anastasios Kyprianidis, father's name Georgios, Member
Stefanos Kapsaskis, father's name Konstantinos, Member

Important events after the end of the year

SingularLogic, member of MIG Group, was successfully certified as Oracle Cloud Excellence Implementer (CEI). SingularLogic's certification as Gold Partner of Oracle refers to Customer Experience Engagement Oracle Cloud for Eastern and Central Europe.

SingularLogic, member of MIG Group, enriches its services portfolio in the field of Data Security and invests in developing its know-how and the skills of its executives by including in its services portfolio the security solutions of Check Point Software Technologies, for which it was certified as 2 Stars Partner.

5. Outlook for 2019

The Greek Information Technology Market is expected to move in almost stable ground in 2019, following the negative performance recorded in the period 2015-2017 and the 2.5% correction in 2018. Main factors for the development of the Information Technology Market will continue to be the services and software, whereas it is estimated that equipment will have a lower performance. The Company pursues the re-engineering of all its functions, both in terms of organizational structure and product base, as these have been formed as a result of the various mergers and acquisitions of companies of the sector during the last years. The Company's operation in the sectors of IT services (integrator) and software constitutes a comparative advantage against its competitors, thus offering the Company the opportunity to develop in several markets and sectors of the Greek economy by capitalizing on all human and technological resources it possesses today.

6. Significant transactions between the company and related parties

The Company's transactions with related parties according to IAS 24 were performed under the usual terms of the market.

The amounts of income and expenses for fiscal year 2018 and the balances of receivables and liabilities on 31/12/2018 for the Group and the Company that have resulted from transactions with related parties, are presented in note 13.30 of the Annual Financial Report.

7. SingularLogic - Non-financial information

SingularLogic is a historical company in the Greek IT market with a long-standing presence in selected international markets. Throughout the many years of its operation, the Company has received considerable distinctions and has acquired a wide customer base, achieving steady and loyal partnerships. Outstanding enterprises in the Greek market in different sectors of the economy have placed their trust in its products and solutions.

Its activities comprise the development and distribution of business software applications, design and implementation of Integrated IT Solutions for large enterprises of the private and public sector, outsourcing services as well as the distribution and support of acclaimed international IT products.

Our vision is to...

create business value from people to people.

Our mission

To help people and enterprises unlock their potential, by streamlining the complex reality they face, through digital innovations and optimum business practices.

Our values:

- Modesty
- Dedication to results
- Passion for improvement

- Enthusiasm
- Intelligence cooperativeness

The Company's strategic priorities include:

- The implementation of policies and procedures that assist in achieving good corporate governance
- The implementation of a services quality management system, certified according to ISO 20001 (Information Technology Service Management System)
- The implementation of an Information Security Management System certified according to ISO 27001
- Undertaking initiatives and actions to help its employees develop and support the society and in particular the vulnerable social groups.

The ever-changing business and technological environment requires flexibility and business applications should respond to modern requirements. SingularLogic has a broad portfolio of IT products and innovative services.

The Company's human resources number 489 persons and include experienced, highly specialized executives with a customer-oriented culture.

SingularLogic markets products	It provides integrated services	It develops solutions
▪ Galaxy Enterprise Suite ▪ Galaxy Commercial ▪ Galaxy CRM ▪ Galaxy Retail ▪ Galaxy Hospitality ▪ Galaxy Payroll ▪ Station Manager ▪ Accountant ▪ moRE ▪ Solutions for local governments	▪ Business Applications ▪ System Integration ▪ Project Management ▪ Software Development ▪ IT Support ▪ Business Process Outsourcing ▪ Business Service Provisioning ▪ SingularLogic Data Center	▪ Enterprise Resources Planning ▪ Customer Relationship Management ▪ Business Intelligence ▪ HR Appraisals ▪ Portals / Content Management ▪ Financial Services Management

The condensed and concise illustration of SingularLogic's business model includes the following:

SingularLogic Business Model

(presentation based on the model of Yves Pigneur and Alexander Osterwalder)

Distinctions and awards

The distinctions and awards bestowed to the Company during 2018 recognize its contribution to the development of innovative products and services as well as the top service provided to its customers. The key distinctions and awards for 2018 include:

- **Two golden awards** in **BITE AWARDS 2018** in the **Business Applications** category in cooperation with **HELEXPO-Thessaloniki International Fair** for implementing Galaxy ERP and CRM integrated solution, and in the Retail trade category in cooperation with OXFORD COMPANY for implementing a project based on **Galaxy platform.**
- **Silver award** in **BITE AWARDS 2018** in the category "**Applications and Solutions for Central and Decentralized Public Administration**" granted to eLocalGovernments.gr platform of citizen transactions with local governments, by SingularLogic.

Crucial partnerships	Main activities	Value/ Usefulness	Market segments the Company aims at
Partnership with internationally reputed IT firms (ERP, CRM and Retail).	I. Study, design and implementation of integrated IT solutions. II. Development and distribution of business software programs. III. Development and distribution of applications for the operation and use on mobile phone devices, as well as software solutions for subscription services. IV. Distribution and support of products from internationally reputed IT firms. V. Value added services to Telecommunication Organizations, Health Organizations, Food and Beverage Companies and Public Sector Organizations.	Development and distribution of innovative business software products, study, design and implementation of integrated IT works for Private and Public Sector, as well as distribution and support of products from internationally reputed IT firms.	The Company offers integrated solutions for the Private and Public sector both in Greece and abroad.
Cost structure	**Revenue structure**	**Basic customer needs satisfied by SingularLogic:**	**CHANNELS**
▪ Remuneration and benefits for the employees ▪ Special contracts with Firms abroad for purchasing intellectual property rights for resale/distribution of software product licenses. ▪ Purchase of HW and software support equipment ▪ External partners' fees ▪ Software purchase.	SingularLogic revenue comes from the provision of the aforementioned services and the sale of HW equipment.	SingulaLogic, through the high-quality services it provides, is able to respond to each and every need that may arise for business software products.	The main channels through which SingularLogic is in contact with potential customers are: ▪ Tenders of the Public Sector ▪ International and domestic exhibitions ▪ Recommendations from existing clientele ▪ Through its participation in large European projects ▪ Through its partners ▪ Through the Company's website

- **Bronze award** in **BITE AWARDS 2018** in the "**Specialized Applications in Business Segments**" category to AGRIPHARM application, which is based on Galaxy platform.
- Award by **Alliance For Digital Employability** (AFDEmp) for its contribution to combating unemployment and strengthening youth employability in the Information Technology sector through its participation in Coding Bootcamps job creation programs.
- "**Customer Advocacy Award**" by Oracle in "Oracle Partner Day CEE" that was held on 21/3/2018 in Bucharest. SingularLogic was acknowledged for the quality implementation of Oracle Cloud solutions for Forthnet/Nova, which provided the company with direct benefits and was thus able to extend the use of additional Cloud solutions by Oracle (Marketing, Sales, CPQ) within a very short period of time.

- **SENSE ONE S.A.** subsidiary received an award from the World Information Technology and Services Alliance (**WITSA**) as one of the leading companies in the field of **Internet of Things** internationally.

SingularLogic creates value for the economy and society through its operation. The added value created from its operation returns to a great extent to its employees, its partners and the wider society. In this context, the Company ensures that a two-way communication is developed with the employees, customers, shareholders and all stakeholder groups, in order to constantly record and respond to their needs.

Communication with stakeholders and material aspects

SingularLogic has identified as stakeholders/interested parties the individuals or organizations/companies that may affect and/or be affected by, and/or consider to be affected by the Company's operations. The stakeholders' groups are:

- shareholders
- employees
- customers
- suppliers
- partners
- State & regulatory Authorities
- Financial Institutions
- scientists
- sales network (resellers)
- broader public sector
- wider society
- Media

Responsible, honest and transparent communication with all interested parties and full compliance with the current legislation and the institutional framework concerning fair competition, constitute a commitment for SingularLogic and its employees, in order to create and maintain relationships of trust with the society and the wider business environment.

abstract from the Professional Behavior Policy

The organization's Management is preoccupied with the concerns, expectations and issues of concern for the Company's stakeholders in relation to its operation, and seeks to improve whenever it realizes it fails to satisfy them by two-way communication and dialog with them.

To develop this Non-Financial Report, the Company's management team undertook a key analysis of SingularLogic's material aspects.

Results are presented as follows:

Material aspects

Economic development	Employee engagement	Product & service quality
Compliance with laws	Dialog between Management and employees	Development of innovative products and services
Transparency and accountability	Equal opportunities and diversity	Customer service and satisfaction
Personal data protection	Employee advancement	Certification of procedures, products and services
	Compliance with environmental legislation	

To achieve its mission, the Company develops and provides reliable and socially responsible services and products by applying optimum practices to Quality, Environment, Information Security and IT Services management, as confirmed by the relevant certifications according to ISO 9001, ISO14001, ISO 27001 and ISO 20000.

For SingularLogic, responsible entrepreneurship is a strategic choice in order to achieve its business goals. The actions it undertakes refer to four key pillars:

Pillar: Corporate Governance

SingularLogic seeks to maximize the value it creates for its shareholders, those parties contributing to its growth and in general society and, thus, has elaborated a corporate governance framework which includes:

1. management bodies with clear roles, competencies and obligations;
2. appropriate organizational structure and corporate procedures;
3. effective internal audit system and
4. organized communication system with its internal and external environment.

A key element of the Corporate Governance framework applicable within the Company is the Audit Committee which supports the Board of Directors in performing its supervisory duties, ensuring transparency in corporate activities and fulfilling its obligations and responsibilities toward shareholders.

The internal audit service also assesses and reviews the Company's activities, seeking to improve the efficiency of the risk management procedures, internal audit systems and corporate governance.

Prevention Principle and risk management

SingularLogic has identified and clearly described all the areas of risk and implements specific procedures that have been developed based on the **Prevention Principle**.

Aiming to minimize the possibility, as well as to reduce the importance of materialization of the risks, the Company undertakes preventive actions and measures. In this context, the Company:

1. Implements systematically a specific program for financial risks management;

2. Implements occupational safety and operational criteria that are in accordance with the Greek and European legislation, as they are analytically described in the Occupational Health and Safety Policy;
3. Has conducted an Evaluation of Environmental Aspects, according to the procedures of the Environmental Management System it implements;
4. Systematically evaluates resources and risks for the information security in the context of ISO 27001 it applies.

Transparency and fight against corruption

The Company lays particular emphasis on carrying out preventive actions concerning issues of transparency and corruption in order to meet the stakeholders' needs. In this context, the Company has developed and implements a Professional Behavior Policy that provides specific guidelines for observing the code of ethics, inside and outside the Company, indicatively in relationships with suppliers and other stakeholders.

The Company's work regulation describes clearly the areas of risk and includes specific procedures that ensure transparency and have been developed based on the **Prevention Principle**.

SingularLogic implements a Corporate Governance system that promotes transparency in the entire range of the Company's activities and aims to enhance the safeguards against any type of infringing behavior.

Personal data protection

The personal data managed by the Company are used solely for customer effective service as well as for internal analyses and relevant reports, having regard to the provisions of new Regulation (EU) No 2016/679 (GDPR). Personal data processing is carried out through secure applications that either are property of the Company or have been developed by SingularLogic. More specifically, during 2018, integration of the GDPR in Management Systems was launched.

Moreover, by design, SingularLogic applications have embedded features providing top security levels, audit and classified access capabilities to data. Given that the IT systems are an important part of business adaptation to GDPR requirements, SingularLogic further enhances its applications relating to ERP, CRM, Retail, Hospitality, Trading, Accounting and Human Resources Applications with the Advanced Security sub-system. The sub-system assists thousands of its business customers to ensure reliable management and control of their data, and shape easier their procedures in line with the changes brought about by the GDPR.

Responsible management of the supply chain

SingularLogic selects, manages and evaluates its suppliers responsibly. Suppliers are important partners in the entire range of the Company's activities.

Regarding quantitative data, the suppliers are classified into five categories. In 2018, the total number of suppliers was 600. Domestic suppliers account for 90.2% and international suppliers for 9.8%.

Evaluation of suppliers and subcontractors

Evaluation of suppliers is an integral part of the Company's effort to constantly improve its products and services. Suppliers are evaluated annually, taking into account certain criteria. More specifically, suppliers having an environmental impact are evaluated annually based on the Company's procedure.

More specifically, as regards those suppliers employed in the context of ISO 27001 and 20001 management systems, the Company has adopted specialized criteria to evaluate the suppliers of IT systems and services.

Pillar: Technological excellence & innovation

SingularLogic is strategically investing in Quality, in order to maintain its competitive advantage and its leading position in the market, by constantly improving its business operation and achieving and satisfying its customers effectively. In this context it implements a Quality Management System (QMS) according to the requirements of the international standard for Quality ISO 9001:2015, that covers all of the Company's activities. The strategic axes of SingularLogic's Quality system are summed up as follows:

- We work systematically and efficiently.
- We are focused on satisfying customer needs and expectations as well as of the wider business environment we operate in.
- We abide by the applicable legislation, regulations and standards that concern our operations.
- We are constantly improving our quality system and our business operations.

The documented and approved Policy for Quality adopted by the Company, expresses the will and commitment of the Company's Top Management as regards Quality and customer service.

In addition, SingularLogic implements an IT Service Management System (ITSM), certified by ISO 20000:2011 that covers some of its main activities. Having as its absolute priority to offer IT services of the highest quality, the Company, through the implementation of this system, seeks to:

1 Attain specifications, service level goals and contractual obligations towards customers;
2 Provide increased levels of availability and reliability of its offered services;
3 Promptly respond to Customer requests within agreed time frames.

An IT Service Management System (ITSMS) supporting ISO 20001 went live in November 2018 while the documentation of ISO 20001 has been updated in accordance with the ITSMS.

Information Security

Information Security is a primary priority for SingularLogic in order to ensure its constant and efficient operation, by protecting information and information systems against any internal or external threat, whether deliberate or accidental.

SingularLogic implements an Information Security Management System (ISMS), according to the requirements of international standard ISO 27001:2013 and covers some of its main activities. Information Security is everyone's responsibility in SingularLogic.

The strategic axes of the Information Security Policy of SingularLogic are summarized as follows:

1. Confidentiality of information is ensured by protecting it from unauthorized access
2. The integrity of information is maintained systematically and effectively
3. The operational needs for information and systems availability as well as for crucial information and systems recovery have been identified and are satisfied.

Through the implementation of the Information Security Management System, SingularLogic aims:

- To protect computing resources and the information being transmitted to SingularLogic’s various business units against any internal or external threat, whether deliberate or accidental;
- To systematically evaluate and assess risks relating to information security and to ensure that they are correctly managed in good time;
- To file data, avoid viruses and hacking, control access to systems, record all security incidents and manage unexpected developments;
- To keep management and staff constantly updated about information security issues and to run the appropriate training courses for staff;
- To ensure company Management is fully committed to faithfully implementing and constantly improving an ISMS that complies with the requirements of the ISO 27001 standard.

2018 was a year of dynamic improvements to SingularLogic's management systems as the integration of Management Systems was pursued, all Company procedures were mapped while continuous updates, continuous internal audits and procedure improvements were carried out throughout the year.

Moreover, new intranet was created to which all policies and work instructions of the integrated Management System are uploaded with classified access and and Structure based on Usefulness rather than on the individual management systems. As a result, the Management System is made user-friendlier to each employee.

Goal setting for 2019-2020

Our goals for the years to come in the business optimization sector are:

- To continue to integrate the Quality Management Systems
- To expand the scope of ISO 27001
- To expand the scope of ISO 2000
- To develop the Company's Business Continuity Management System and further certify it according to ISO 22301 B.V.

Pillar: Human Resources & Society

SingularLogic employs specialized human resources in order to provide high-level services to its customers and partners. Retaining and constantly developing and training its employees is a non-negotiable priority.

As employer, SingularLogic is committed to creating a safe working environment that provides fair remuneration and ensures equal opportunities for all employees, regardless of sex, race, political views, religion, sexual orientation or other characteristic or attribute that is protected by the national and international legislation for human and labor rights.

The Company does not tolerate any type of harassment, coercion or extortion to and from its employees and is committed to respect the fundamental principles and rights for freedom, security and employment, among which lies the right of assembly and association. Furthermore, SingularLogic will not tolerate under any circumstances any forced labor or illegal child labor from any of its partners.

abstract from the Professional Behavior Policy

The Company has developed and implements a Work Regulation. The Work Regulation is accompanied by the following policies:

- Professional Behavior Policy
- Relatives' Employment Policy
- Occupational Health and Safety Policy

The Company has set the framework of proper business behavior according to which all employees are obliged to operate, and it fully meets the provisions of the Electronic Industry Coalition v4.0 code (www.eicc.info) and the United Nations' Global Compact agreement for corporations (http://www.unglobalcompact.org). SingularLogic's employment data for the last two years are as follows:

Employees/Gender	2017			2018		
	Men	Women	Total	Men	Women	Total
Total employees per gender	**353**	**166**	**519**	**329**	**160**	**489**
Permanent employees	348	164	512	324	158	482
Seasonal employees	5	2	7	5	2	7

Employees' age distribution 2018			
	<30	**30-50**	**51+**
Men	33	215	81
Women	15	120	25
Sub-totals	**48**	**335**	**106**

100% of the employees are covered by employment contract whereas 98.5% has signed a full-time employment contract and 1.5% a part-time employment contract.

Employment contract	2017			2018		
	Attica	Rest of Greece	Total	Attica	Rest of Greece	Total
Open-ended	464	48	**512**	441	41	**482**
Fixed-term	6	1	**7**	6	1	**7**
Total	**470**	**49**	**519**	**447**	**42**	**489**

Total hirings per age and geographical area 2018			
	<30	**30-50**	**51+**
Attica	19	46	9
Rest of Greece	1	3	0
Sub-totals	**20**	**49**	**9**

Hirings/Exits	2017	2018
Hirings	114	78
Exits (e.g. retirement, contract expiration)	157	108

The remuneration and benefits policy developed by SingularLogic aims to attract, employ and retain high-level technology specialized employees. The remuneration of each employee reflects the educational background, experience, responsibility as well as the value/ importance of their post in the labor market. In addition, depending on the level of hierarchy, the employee's past service and the objective difficulties they may face (e.g. the need for remote work), the Company offers additional benefits such as: company car, compensation per kilometer, mobile phone, laptop and others as the case may be.

Furthermore, in the context of rewarding and maintaining a high level of satisfaction for its people, the Company offers a series of additional benefits both for the employees as well as for their families, such as:

1. Group Health Insurance Policy

2. Gift for the birth of child
3. Flexible hours of arrival to work
4. Subsidizing of postgraduate programs
5. Support of Company's Basketball Team
6. Blood bank
7. Discounts in selected benefits or products of MIG Group Companies (e.g. discounts in Vivartia Group Companies: La Pasteria, Goody's, premium prices for medical examinations in Ygeia Group etc.).
8. Subsidization of products sold by the Everest store located in the Company's premises.

Furthermore, to access its premises, the Company provides a bus for personnel transfer to and from selected metro and suburban railway stations.

Employees' voluntary activity

In the context of Corporate Social Responsibility actions the Company organizes, the participation of its employees is crucial for their success. More specifically, during 2018, many actions to support various NGOs were organized, such as:

- Love Breakfast Buffet: An awarded action in the context of HR Awards during which SingularLogic employees prepare and distribute sweet and savory food that they offer to their colleagues at symbolic prices. The revenue of this action is donated to NGOs which are recommended and selected by the employees themselves.
- Bazaar: Accommodation of various NGOs in the context of the annual "Week of Love" during Christmas and Easter, dedicating a whole week to bazaars of significant social importance.
- Collection and delivery of plastic caps to the Hellenic Association for Prevention of Road Accidents and Disabled Persons Support "LOVE FOR LIFE" in order to purchase wheelchairs.

During 2018, two groups were activated, consisting of corporate employees, SingularLogic's Basketball team and Theater Group. The Company supports ardently these voluntary efforts of its people and has assumed all their operating expenses (training/ rehearsal sites, uniforms/ performances).

Social action

- Free provision of software for educational purposes to educational institutes (17) to enhance the quality of education under real conditions.

Offers to schools for disabled persons:

- Financial aid to the students of Parakalamos High School in the frontier village of Pogoni, Prefecture of Ioannina, so as to leave on an educational excursion.
- Provision of PCs to cater for the needs of the 9th Primary School of Korydalos which runs 2 classes for the integration of children with special educational needs so that specialized and group special education programs for pupils can be carried out.

And in addition, the cost of corporate Christmas cards purchased, as every year, corresponds to an amount allocated to NGOs. In 2018, like also in 2017, SingularLogic chose THE SMILE OF CHILDREN.

Goal setting for 2019-2020

In the years to come, our goals for our Human Resources are:

- To strengthen the internal communication and dialog channels between Management and employees
- To support the Company's theater group

- To support and cover the cost of participation in Athens Marathon of all employees wishing to take part
- To provide free medical checkups to all women employees on the occasion of the International Women's Day.

Pillar: Environment

SingularLogic, as a Company that renders services, does not cause significant environmental nuisance with its operation. However, it recognizes the importance of the protection of the environment for all its stakeholders; as a result, it enhances its efforts to record and improve its environmental performance. In this context, it has recognized and recorded the most important environmental impacts and implements an Environmental Management System, certified by the international standard ISO 14001.

The aim of the Environmental Management System is to manage effectively any important environmental aspects and impacts that arise from the Company's operation in order to minimize the possibility to cause pollution. Furthermore, the Environmental Management System ensures the timely harmonization of the Company's operation with the relevant environmental legislation and the constant improvement of its environmental performance.

"SingularLogic's Management recognizes that the protection of the Environment and the saving of natural resources is an integral part of every responsible and sustainable entrepreneurial development. In this context, the Company is committed to:

Constantly improving the Environmental Management System aiming to improve its Environmental performance, by implementing the appropriate procedures and programs, with specific targets and goals that are reviewed and approved by Management.

Along with its partners, it follows sound Environmental practices in order to contribute to the protection of the environment, including the prevention of pollution.

It monitors and complies with the requirements of the National and European Environmental Legislation, the compliance obligations as well as the requirements and expectations of the wider business environment in which it operates."

abstract from the Environmental Policy

The Company's main environmental actions in 2018 include:

- UPS lead batteries were recycled (total weight: 1,493 kg).
- The Company obtained special secure destruction/paper recycling bins as well as bins for secure destruction/recycling of electronic storage media.
- Preventive maintenance inspections of buildings were carried out more intensively.
- Employee awareness-raising actions were carried out in relation to recycling and environment.
- Round-the-clock monitoring and support to the Company's premises was launched, thus reducing drastically the risk of any leakage or malfunctions during hours and days of outage.

SingularLogic's environmental performance indicators

Electricity consumption (total and special consumption per day)

Electricity consumption (in KWh)	2017	2018	%	Special electricity consumption (KWh/day)	2017	2018	%
Building A	994,541	972,413	-2%	Building A	2,725	2,664	-2%
Building B	130,560	124,123	-5%	Building B	358	340	-5%
TOTAL	**1,125,101**	**1,096,536**	**-3%**	**TOTAL**	**3,125**	**3,004**	**-4%**

Water consumption* (total and special consumption per day)

Water consumption in m^3	2017	2018
Water consumption (in lt)	1,448	2,302
Special water consumption (lt/day)	4	6

**water consumption for 2018 is increased because the operation of the third building was abolished and all employees were grouped in buildings A and B.*

Waste management

Waste in kilograms (kg)	2017	2018	Way of management
Paper/Paperboard	185	890	Recycling
Toner/ink	0	204	Reuse
Batteries	75	113	Recycling (AFIS)
Electronic and electric equipment	75	109	Recycling (through licensed partners)
Secure paper destruction	0	66	Recycling

The quantities of materials for recycling were considerably increased in 2018 due to the intensive information and awareness-raising actions targeting the employees.

Goal setting for 2019-2020

The Company always aims at improvement and sets accordingly environmental protection goals. More specifically, in the years to come the Company intends to carry out the following actions:

- Launch of plastic recycling in its buildings
- The addition of aluminum recycling is scheduled.
- Improvements will be carried out in the premises so as to further reduce electricity consumption.
- Employee awareness-raising actions in relation to recycling and environment.
- Pursuit of improvement of environmental performance.

The Company's aim is to reduce its environmental footprint, as a response to the needs and expectations of its stakeholders and of the wider business environment in which it operates.

Annex A: Methodology of Non-Financial Report Preparation

This is the second Non-Financial Report of SingularLogic and concerns the period that ended on 31/12/2018 (from 01/01/2018 to 31/12/2018), clearly describing a wide range of issues involving the economic, environmental and social impact of the Company and its actions. The Report covers all corporate activities in Greece. The terms "Company" and "SingularLogic" refer to SingularLogic SA. For this Report, SingularLogic has not assigned to any third independent party the verification of its non-financial information but it will consider the option of external audit in a subsequent publication. It is noted that no acquisitions, sales, joint ventures or other activities took place that could affect data comparability on an annual basis.

Sources of information

The data and information included in the Non-Financial Report have been collected by the Company's documented procedures and have also been drawn from its databases kept as part of the implementation of management systems. Whenever data have arisen from processing or are based on assumptions, special reference is made to the way or method of their calculation in accordance with the Global Reporting Initiative (GRI) Guidelines.

Framework of Report preparation

The Non-Financial Report of SingularLogic includes Standardized Publications from GRI Guidelines on the Preparation of Corporate Responsibility Reports (GRI-referenced). Below are presented the General Standardized Publications of Guidelines as well as the indicators of GRI Standards that were used in recording the Company's performance in this edition.

General Standardized Publications

Ratio	Page	Ratio	Page	Ratio	Page
102-1	1	**102-8**	9.10	**102-44**	3
102-2	1	**102-9**	7	**102-46**	Annex A
102-3	13	**102-10**	Annex A	**102-47**	3
102-4	13	**102-15**	6	**102-50**	Annex A
102-5	1	**102-16**	1	**102-51**	Annex A
102-6	1	**102-40**	3	**102-52**	Annex A
102-7	1, 9, 10, 12, 13	**102-41**	9.10	**102-54**	Annex A

Special Standardized Publications – Performance indicators

Economic performance		Environmental performance		Social performance	
Ratio	**Page**	**Ratio**	**Page**	**Ratio**	**Page**
204-1	7	**302-1**	12-13	**401-1**	9
205-1	6	**302-4**	12-13	**401-2**	9-10
206-1	6-7	**303-1**	12-13	**405-1**	9-10
		306-2	12-13		

N. Kifisia 22/04/2019

The Chairman & Managing Director

Georgios Konstantopoulos

C. Financial Statements

1 Income Statement

		THE GROUP		THE COMPANY	
(amounts in €)	**Note**	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**
Sales	12	**41,506,840**	**37,544,172**	**37,115,329**	**33,565,608**
Cost of Goods Sold	13.24	(31,606,728)	(31,568,448)	(29,013,718)	(29,044,018)
Gross Profit		**9,900,113**	**5,975,725**	**8,101,612**	**4,521,590**
Other operating income	13.25	4,442,000	3,896,532	4,191,674	3,533,604
Distribution expenses	13.24	(6,920,790)	(9,320,748)	(5,756,353)	(8,040,822)
Administrative expenses	13.24	(6,259,372)	(6,909,568)	(5,028,835)	(5,719,620)
Other operating expenses	13.25	(1,430,827)	(1,838,539)	(1,582,669)	(1,761,127)
Operating results		**(268,877)**	**(8,196,599)**	**(74,572)**	**(7,466,375)**
Financial income	13.26	7,002	201,962	18,225	207,442
Financial expenses	13.26	(3,406,574)	(3,740,563)	(3,327,916)	(3,657,599)
Other financial results	13.27	(2,670,881)	(2,693,443)	(9,580)	(2,659,109)
Earnings / (losses) before tax		**(6,339,330)**	**(14,428,643)**	**(3,393,843)**	**(13,575,641)**
Income Tax	13.28	(897,212)	660,516	(813,750)	638,066
Profits / (losses) net of tax		**(7,236,542)**	**(13,768,128)**	**(4,207,593)**	**(12,937,575)**
Period profit attributable to:					
Parent company owners		(7,169,892)	(13,627,809)	(4,207,593)	(12,937,575)
Non-controlling interests		(66,650)	(140,318)	-	-
		(7,236,542)	**(13,768,128)**	**(4,207,593)**	**(12,937,575)**

The accompanying notes form an integral part of the financial statements.

2 Statement of Comprehensive Income

	THE GROUP		THE COMPANY	
(amounts in €)	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**
Profit after taxes	**(7,236,542)**	**(13,768,128)**	**(4,207,593)**	**(12,937,575)**
Other comprehensive income				
Amounts not reclassified to the Income Statement during subsequent periods:				
Reassessment of liability for employee benefits	41,901	80,158	55,112	69,016
Deferred tax on reassessment of liability for employee benefits	(12,151)	(23,246)	(15,983)	(20,015)
Deferred taxes on actuarial gains/(losses) due to change in tax rate	87,305	-	82,270	-
Amounts reclassified to the Income Statement during subsequent periods:				
FX differences of foreign operations conversion	212	(3,386)	-	-
Other comprehensive income for the period net of tax	***117,267***	***53,526***	***121,399***	***49,001***
Consolidated comprehensive income for the period	**(7,119,275)**	**(13,714,601)**	**(4,086,194)**	**(12,888,574)**
Consolidated comprehensive income for the period attributable to:				
Parent company owners	(7,051,872)	(13,577,721)	(4,086,194)	(12,888,574)
Non-controlling interests	(67,404)	(136,880)	-	-

The accompanying notes form an integral part of the financial statements.

3 Statement of financial position

	Note	THE GROUP		THE COMPANY	
ASSETS		**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**
Non-current assets					
Tangible assets	13.1	1,209,042	1,421,279	1,113,811	1,346,817
Goodwill	13.3	51,705,844	54,362,987	51,636,150	51,636,150
Intangible assets	13.2	18,495,928	18,089,409	17,657,722	17,249,964
Investments in Subsidiaries	13.4	-	-	1,300,865	1,301,366
Investments in affiliates (consolidated using the equity method)	13.5	-	-	-	-
Deferred tax assets	13.12	1,531,848	1,845,625	1,461,721	1,795,066
Other financial assets	13.7	59,932	59,932	59,932	59,932
Other non-current assets	13.6	282,779	215,514	178,899	333,601
		73,285,372	**75,994,747**	**73,409,099**	**73,722,895**
Current Assets					
Inventories	13.8	608,043	563,793	550,594	507,522
Customers and other trade receivables	13.9	14,369,613	15,095,120	14,652,804	15,720,638
Other receivables	13.10	1,692,320	1,330,736	2,119,902	1,326,576
Assets presented at fair value through P&L	13.13	-	-	-	-
Other current assets	13.11	2,132,929	1,546,737	2,057,569	1,437,152
Cash and cash equivalents	13.15	1,705,465	1,784,000	517,776	504,786
		20,508,370	**20,320,386**	**19,898,647**	**19,496,675**
Total assets		**93,793,742**	**96,315,132**	**93,307,746**	**93,219,570**
SHAREHOLDERS' EQUITY AND LIABILITIES					
Share capital	13.16.1	900,000	20,643,215	900,000	20,643,215
Share Premium	13.16.1	13,571,728	70,547,001	13,571,728	70,547,001
Other reserves	13.16.2	104,326	104,326	73,296	73,296
Reorganization Balance Sheet Reserves	13.16.2	(25,360)	(25,572)	-	-
Results carried forward		(12,152,380)	(80,469,829)	(8,998,927)	(80,403,696)
Equity attributed to parent company shareholders		**2,398,313**	**10,799,141**	**5,546,097**	**10,859,817**
Non-controlling interests		234,153	309,971	-	-
Total equity		**2,632,466**	**11,109,112**	**5,546,097**	**10,859,817**
Long-term liabilities					
Long-term loan liabilities	13.19	5,850	138,235	-	-
Deferred tax liabilities	13.12	2,214,588	1,879,464	2,225,059	1,886,426
Post-employment benefit obligations	13.17	1,821,972	1,748,816	1,647,906	1,594,856
Other long-term liabilities	13.18	197,602	-	-	-
Total long-term liabilities		**4,240,012**	**3,766,514**	**3,872,965**	**3,481,282**
Short-term liabilities					
Trade and other payables	13.21	8,025,420	7,964,639	7,558,700	7,565,357
Current tax liabilities	13.22	46,649	26,832	-	-
Short-term loan liabilities	13.19	62,717,283	58,203,445	61,415,170	57,025,433
Other short-term liabilities	13.23	15,207,065	14,386,303	13,994,253	13,433,681
Short-term Provisions	13.20	924,847	858,287	920,561	854,002
Total short-term liabilities		**86,921,264**	**81,439,506**	**83,888,684**	**78,878,472**
Total liabilities		**91,161,276**	**85,206,021**	**87,761,649**	**82,359,754**
Total equity and liabilities		**93,793,742**	**96,315,132**	**93,307,746**	**93,219,570**

The accompanying notes form an integral part of the financial statements.

4 Consolidated Statement of Changes in Equity

		Equity attributed to parent company shareholders							
(amounts in €)	Note	Share capital	Difference from share premium issue	Other reserves	FX difference from subsidiary's balance sheet conversion	Balance carried forward	Total	Non-controlling interests	Total equity
Balance of Equity on 31.12.2016	13.16	**20,643,215**	**70,547,001**	**104,326**	**(22,187)**	**(66,895,493)**	**24,376,863**	**451,801**	**24,828,664**
Transfers between reserves and results carried forward		-	-	-	-	-	-	-	-
Profit distribution		-	-	-	-	-	-	(4,950)	(4,950)
Transactions with owners		-	-	-	-	-	-	**(4,950)**	**(4,950)**
Net results for the period 01.01 – 31.12.2017						(13,627,809)	(13,627,809)	(140,318)	**(13,768,128)**
Net results for the period (a)		-	-	-	-	**(13,627,809)**	**(13,627,809)**	**(140,318)**	**(13,768,128)**
Reassessment of liability for employee benefits	-	-	-	-	-	75,315	75,315	4,843	**3,064**
Deferred tax on reassessment of liability for employee benefits	-	-	-	-	-	(21,841)	(21,841)	(1,404)	**(889)**
Deferred taxes on actuarial gains/(losses) due to change in tax rate	-	-	-	-	-	-	-	-	-
Foreign currency differences		-	-	-	(3,386)	-	(3,386)	-	**(3,386)**
Other comprehensive income for the period (b)		-	-	-	**(3,386)**	**53,474**	**50,088**	**3,438**	**53,526**
Consolidated comprehensive income for the period (a) + (b)		-	-	-	**(3,386)**	**(13,574,335)**	**(13,577,721)**	**(136,880)**	**(13,714,601)**
Balance of Equity on 31.12.2017		**20,643,215**	**70,547,001**	**104,326**	**(25,572)**	**(80,469,829)**	**10,799,141**	**309,971**	**11,109,112**

	Note	Share capital	Difference from share premium issue	Other reserves	FX difference from subsidiary's balance sheet conversion	Balance carried forward	Total	Non-controlling interests	Total equity
Balance of Equity on 31.12.2017	13.16	**20,643,215**	**70,547,001**	**104,326**	**(25,572)**	**(80,469,829)**	**10,799,141**	**309,971**	**11,109,112**
Change in accounting policy as per IFRS 9		-	-	-	-	(442,862)	(442,862)	-	**(442,862)**
Change in accounting policy as per IFRS 15		-	-	-	-	(393,473)	(393,473)	-	**(393,473)**
Deferred tax as per IFRS 15		-	-	-	-	114,107	114,107	-	**114,107**
Adjusted balance		**20,643,215**	**70,547,001**	**104,326**	**(25,572)**	**(81,192,057)**	**10,076,913**	**309,971**	**10,386,885**
Capitalization of share premium		56,975,273	(56,975,273)	-	-	-	-	-	-
Capitalization of losses		(76,718,488)	-	-	-	76,718,488	-	-	-
Share capital increase expenses		-	-	-	-	(626,728)	(626,728)	-	**(626,728)**
Distributions		-	-	-	-	-	-	(8,415)	**(8,415)**
Transactions with owners		**900,000**	**13,571,728**	**104,326**	**(25,572)**	**(5,100,297)**	**9,450,185**	**301,556**	**9,751,741**
Net results for the period 01.01 – 31.12.2018						(7,169,892)	(7,169,892)	(66,650)	**(7,236,542)**
Net results for the period (a)		**-**	**-**	**-**	**-**	**(7,169,892)**	**(7,169,892)**	**(66,650)**	**(7,236,542)**
Reassessment of liability for employee benefits		-	-	-	-	46,286	46,286	(4,385)	**41,901**
Deferred tax on reassessment of liability for employee benefits		-	-	-	-	(15,783)	(15,783)	3,631	**(12,151)**
Deferred taxes on actuarial gains/(losses) due to change in tax rate		-	-	-	-	87,305	87,305	-	**87,305**
Foreign currency differences		-	-	-	212	-	212	-	**212**
Other comprehensive income for the period (b)		**-**	**-**	**-**	**212**	**117,808**	**118,020**	**(753)**	**117,266**
Consolidated comprehensive income for the period (a) + (b)		**-**	**-**	**-**	**212**	**(7,052,084)**	**(7,051,872)**	**(67,404)**	**(7,119,275)**
Balance of Equity on 31.12.2018		**900,000**	**13,571,728**	**104,326**	**(25,360)**	**(12,152,380)**	**2,398,313**	**234,153**	**2,632,466**

The accompanying notes form an integral part of the financial statements.

5 Statement of Changes in Equity of Parent Company

(amounts in €)	Note	Share capital	Difference from share premium issue	Other reserves	Balance carried forward	Total equity
Balance of Equity on 31.12.2016	13.16	**20,643,215**	**70,547,001**	**73,296**	**(67,515,122)**	**23,748,390**
Transfers between reserves and results carried forward		-	-	-	-	-
Amounts from subsidiaries' absorption		-	-	-	-	-
Transactions with owners		-	-	-	-	-
Net results for the period 01.01 – 31.12.2017		-	-	-	(12,937,575)	**(12,937,575)**
Net results for the period (a)		-	-	-	**(12,937,575)**	**(12,937,575)**
Reassessment of liability for employee benefits		-	-	-	69,016	**69,016**
Deferred tax on reassessment of liability for employee benefits		-	-	-	(20,015)	**(20,015)**
Other comprehensive income for the period (b)		-	-	-	**49,001**	**49,001**
Consolidated comprehensive income for the period (a) + (b)		-	-	-	**(12,888,574)**	**(12,888,574)**
Balance of Equity on 31.12.2017		**20,643,215**	**70,547,001**	**73,296**	**(80,403,696)**	**10,859,817**

	Note	Share capital	Difference from share premium issue	Other reserves	Balance carried forward	Total equity
Balance of Equity on 31.12.2017	13.16	**20,643,215**	**70,547,001**	**73,296**	**(80,403,696)**	**10,859,817**
Change in accounting policy as per IFRS 9		-	-	-	(415,988)	**(415,988)**
Change in accounting policy as per IFRS 15		-	-	-	(260,295)	**(260,295)**
Deferred tax as per IFRS 15		-	-	-	75,486	**75,486**
Adjusted balance		**20,643,215**	**70,547,001**	**73,296**	**(81,004,494)**	**10,259,019**
Capitalization of share premium		56,975,273	(56,975,273)	-	-	-
Capitalization of losses		(76,718,488)	-	-	76,718,488	-
Share capital increase expenses		-	-	-	(626,728)	**(626,728)**
Transactions with owners		**900,000**	**13,571,728**	**73,296**	**(4,912,734)**	**9,632,291**
Net results for the period 01.01 – 31.12.2018		-	-	-	(4,207,593)	**(4,207,593)**
Net results for the period (a)		**-**	**-**	**-**	**(4,207,593)**	**(4,207,593)**
Reassessment of liability for employee benefits		-	-	-	55,112	**55,112**
Deferred tax on reassessment of liability for employee benefits		-	-	-	(15,983)	**(15,983)**
Deferred taxes on actuarial gains/(losses) due to change in tax rate		-	-	-	82,270	**82,270**
Other comprehensive income for the period (b)		**-**	**-**	**-**	**121,399**	**121,399**
Consolidated comprehensive income for the period (a) + (b)		**-**	**-**	**-**	**(4,086,194)**	**(4,086,194)**
Balance of Equity on 31.12.2018		**900,000**	**13,571,728**	**73,296**	**(8,998,927)**	**5,546,097**

The accompanying notes form an integral part of the financial statements.

6 Cash Flow Statement

(amounts in €)	Note	THE GROUP 31/12/2018	THE GROUP 31/12/2017	THE COMPANY 31/12/2018	THE COMPANY 31/12/2017
Cash flows from operating activities	13.29	**487,020**	**1,939,732**	**225,019**	**2,130,189**
Interest paid		(2,130,806)	(3,526,737)	(2,058,881)	(3,443,650)
Income Tax paid		(23,671)	(139,752)		-
Net cash flows from operating activities		**(1,667,457)**	**(1,726,757)**	**(1,833,862)**	**(1,313,461)**
Cash flows from investment activities					
Purchases of tangible assets	13.1	(329,569)	(495,828)	(265,655)	(469,536)
Purchases of intangible assets	13.2	(1,847,476)	(2,356,161)	(1,676,739)	(2,132,601)
Gains on sale of tangible assets		4,150	445	4,147	202
Gains on sale of intangible assets		40,102	40,634	40,102	40,634
Participation in subsidiary's share capital increase		-	-	(5,000)	-
Sale of financial assets at fair value through P&L		-	1,987,179	-	1,987,179
Interest received		3,994	15,946	2,683	15,633
Dividends earned		-	-	8,585	5,050
Grants received		-	-	-	-
Net cash flow from investing activities		**(2,128,799)**	**(807,785)**	**(1,891,877)**	**(553,439)**
Cash flows from financing activities					
Share capital increase expenses		(626,728)	-	(626,728)	-
Dividends paid to non-controlling interests		(12,724)	(4,970)	-	-
Loans assumed		2,139,457	1,542,155	2,139,457	1,542,155
Loans received from affiliated parties		3,750,000	1,500,000	3,750,000	1,555,000
Loans paid		(1,532,283)	(1,797,210)	(1,524,000)	(1,793,456)
Net cash flow from financing activities		**3,717,721**	**1,239,976**	**3,738,729**	**1,303,700**
Net (decrease) / increase in cash on hand and cash equivalents		**(78,535)**	**(1,294,567)**	**12,991**	**(563,201)**
Cash and cash equivalents at the beginning of the period		**1,784,000**	**3,078,568**	**504,786**	**1,067,986**
Cash and cash equivalents at the end of the period		**1,705,465**	**1,784,000**	**517,776**	**504,786**

The accompanying notes form an integral part of the financial statements.

7 General information

7.1 General Information on the Group

The Group's consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards as issued by the International Accounting Standards Board.

SingularLogic S.A. is the parent Company of SingularLogic Group. The Company's registered office is located in Nea Kifisia at 3, Achaias St. & Trizinias St. and its website is www.singularlogic.eu.

The accompanying financial statements of 31 December 2018 were approved by the Board of Directors on 22/04/2019 and are subject to final approval by the General Shareholders Meeting

8 Business Activities

SingularLogic operates in the following sectors:

- Study, design, development, processing, manufacture, trade and marketing of IT systems and high-tech products
- Software production, development and support
- Services on the operation of customer IT systems, integrated solutions, and all types of applications in IT sector
- Trade of software, hardware and systems software.

The primary objective of SingularLogic is to meet in due time the needs of enterprises and organizations, providing them with top quality and competitive integrated solutions.

As part of this strategy, SingularLogic provides a wide range of integrated IT solutions to public and private sector enterprises and organizations, which are based on the portfolio of software products designed and developed by SingularLogic as well as on software applications obtained through strategic partnerships with internationally reputed software firms such as SAP HELLAS S.A., MICROSOFT HELLAS S.A. and ORACLE HELLAS S.A.

SingularLogic has a strong distribution network covering the entire Greek territory and numbering more than 400 partners, thus ensuring the distribution and support of its products even in the remotest regions of Greece. The distribution network aims at marketing and also at providing direct, continuous and quality support to the products provided by SingularLogic.

SingularLogic is a historical company in the Greek IT market with a long-standing presence in selected international markets. Throughout the many years of its operation, it has received considerable distinctions and has acquired a wide customer base, achieving steady and loyal partnerships. Outstanding enterprises in the Greek market in different sectors of the economy have placed their trust in its products and solutions.

9 Basis of preparation of the financial statements

9.1 Going concern principle

The Company's separate and consolidated financial statements of 31 December 2018 that cover the reporting period from 1st January to 31 December 2018, are in line with the International Financial Reporting Standards (IFRS), as they have been issued by the International Accounting Standards Board (IASB), and their interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and adopted by the European Union until 31st December 2018. The Group applies all the International Accounting Standards (IAS), the International Financial Reporting Standards (IFRS) and their Interpretations that are applicable to its operations. The respective accounting policies, a summary of which is presented in note 9.2 below, have been consistently applied to all periods presented.

The said Financial Statements have been prepared according to the going concern principle, according to which the Company and its subsidiaries are able to continue their operations as acting financial entities in the foreseeable future, taking into account the conditions below and the actions the Management has planned and implements.

On 31/12/2018 both the Group and the Company demonstrate a negative working capital since the short-term liabilities are in excess of the current assets by €66,413 thousand and €63,990 thousand respectively, with the largest part of short-term liabilities referring to short-term borrowing.

On 31/12/2018 the Group's loans amount to €62,723 thousand, out of which an amount of €62,717 concerns short-term loan liabilities. Likewise, the Company's loans amount to €61,415 thousand and concern in total short-term loan liabilities. Short-term loan liabilities of the Group and the Company include bond loans of €51,314 thousand, while their contractual termination was on 31/01/2018. As part of its negotiations with the credit institutions having granted the above loans, the Company sent requests for consent regarding the extension of the loans' termination and was granted an extension until 31/10/2018. Following the above, in January 2019 the Company received consent for the extension of the bond loans until 31/01/2020 with retroactive effect from 31/10/2018. At the same time, on 31/12/2018 the financial terms regulating the above bank liabilities were not complied with.

The Company's Management is in discussions with the creditor banks in order to achieve the restructuring of the said loans. The aim is to achieve the extension of the loans' repayment period and to form more realistic financial indicators, attuned with the current economic situation. Despite the fact that the current problems the Greek economy and the Greek banking sector are facing have led to more strict criteria for lending, the Group's Management believes that the whole negotiation process regarding the restructuring will be completed successfully within the following months.

If the aforementioned actions pursued by Management do not have a positive outcome, then it is possible that the Group's operation and prospects may be negatively affected, i.e. the combination of the situations described signifies the existence of uncertainty as regards the going concern of the Group and the Company.

However, on the condition that the above actions are successfully carried out, Management fairly expects that they will not face any financing and liquidity issues for the Group and the Company within the next 12 months.

9.2 Changes to Accounting Policies

The accounting policies used in the preparation of 2017 Financial Statements applied to these Financial Statements, following adaptation to the new Standards and the revisions required by IFRS (see below paragraphs 9.2.1, 9.2.2 and 9.2.3).

9.2.1 New standards, interpretations, revisions and amendments to the existing standards which are in effect and have been adopted by the EU

The following amendments of the IFRS were published by the International Accounting Standards Board (IASB), have been adopted by the European Union and their application is mandatory as of 01.01.2018 or thereafter.

- **IFRS 9 “Financial Instruments” (effective for annual periods starting on or after 01.01.2018)**

In July 2014, the IASB issued the final version of IFRS 9. The improvements made by the new Standard include the creation of a logical model for classification and measurement, a single, forward-looking "expected loss" impairment model and a substantially-reformed approach to hedge accounting. The effect of the application within the Group is described in note 9.2.3.

- **IFRS 15 "Revenue from Contracts with Customers" (effective for annual periods starting on or after 01.01.2018)**

In May 2014 the IASB issued a new Standard, IFRS 15. The said Standard is fully in line with requirements concerning the recognition of revenues under the principles of both IFRS and US Generally Accepted Accounting Principles (GAAP). The main principles governing the said Standard are in line with a major part of current practice. The new Standard is expected to improve financial information, by establishing a stronger framework for solving issues that arise by enhancing the comparability between sectors and capital markets, providing additional notifications and clarifying the accounting treatment of the cost of contracts. The new Standard will replace IAS 18 "Revenue", IAS 11 "Construction Contracts" and some Interpretations related to revenue. The effect of the application within the Group is described in note 9.2.3.

- **Clarification to IFRS 15 "Revenue from Contracts with Customers" (effective for annual periods starting on or after 01/01/2018)**

In April 2016, the IASB issued clarifications to IFRS 15. The amendments to IFRS 15 do not change the underlying principles of the Standard, but clarify how those principles should be applied. The amendments clarify how to identify a performance obligation in a contract, how to determine whether a company is a principal or an agent and how to determine whether the revenue from granting a license should be recognized at a point in time or over time.

- **Amendment to IFRS 2: "Classification and Measurement of Share-based Payment Transactions" (effective for annual periods starting on or after 01/01/2018)**

In June 2016 the IASB issued narrow-scope amendments to IFRS 2 The objective of this amendment is to clarify the accounting treatment of certain types of share-based payment transactions. More specifically, the amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, for share-based payment transactions with a net settlement feature for withholding tax obligation, as well as a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. The amendments have no impact on the consolidated or separate financial statements.

- **Amendments to IFRS 4: "Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts" (effective for annual periods starting on or after 01/01/2018)**

In September 2016 the IASB issued amendments to IAS 4. The objective of the amendments is to address the temporary accounting consequences of the different effective dates of IFRS 9 Financial Instruments and the forthcoming insurance contracts Standard. The amendments to existing requirements of IFRS 4 permit entities whose predominant activities are connected with insurance to defer the application of IFRS 9 until 2021 (the "temporary exemption") and also permit all issuers of insurance contracts to recognize in other comprehensive income, rather than profit or loss, the volatility that could arise when IFRS 9 is applied before the new insurance contracts Standard is issued (the "overlay approach"). The amendments have no impact on the consolidated or separate financial statements.

- **Annual Improvements to IFRSs - 2014-2016 Cycle (effective for annual accounting periods starting on or after 01.01.2018)**

In December 2016, the IASB issued the "Annual Improvements to IFRSs 2014-2016 Cycle", which incorporates a series of amendments to some standards and forms part of the annual IFRS improvement project. The amendments that are included in this cycle and are effective for annual accounting periods starting on or after the 1st of January 2019 are the following: **IFRS 1:** Deletion of short-term exceptions for those adopting IFRS for the first time, **IAS 28:** Measurement of an associate or joint venture in fair value. The amendments have no impact on the consolidated or separate financial statements.

- **Amendments to IAS 40: “Transfers of Investment Property” (effective for annual periods starting on or after 01/01/2018)**

In December 2016, the IASB published narrow-scope amendments to IAS 40. The objective of the amendments is to reinforce the principle for transfers into, or out of, investment property in IAS 40, to specify that (a) a transfer into, or out of investment property should be made only when there has been a change in use of the property, and (b) such a change in use would involve the assessment of whether the property qualifies as an investment property. That change in use should be supported by evidence. That change in use should be supported by the relevant documentation/evidence. The amendments have no impact on the consolidated or separate financial statements.

- **IFRIC 22 “Foreign Currency Transactions and Advance Consideration” (effective for annual periods starting on or after 01/01/2018)**

In December 2016, the IASB issued a new Interpretation, IFRIC 22. IFRIC 22 provides requirements about which exchange rate to use in reporting foreign currency transactions (such as revenue transactions) when payment is made or received in advance. The new amendment has no effect on the consolidated or separate financial statements.

9.2.2 New standards, interpretations, revisions and amendments to existing standards which are not yet in effect or have not been adopted by the EU

The following new Standards and Amendments to Standards have been issued by the International Accounting Standards Board (IASB), but either they are not yet in effect or they have not been approved by the EU.

- **IFRS 16 "Leases" (effective for annual periods starting on or after 01.01.2019)**

In January 2016 the IASB issued a new Standard, IFRS 16. The purpose of the IASB project was to develop a new standard for leases which lays down principles to be applied by both parties in a contract, namely the customer (the lessee) and the supplier (the lessor), in relation to the provision of information about the leases in a manner faithfully reflecting these transactions. To meet this objective, a lessee is required to recognize assets and liabilities arising from a lease. The above provisions have been adopted by the European Union and the day of entry into force is 01.01.2019.

The Group will apply IFRS 16 as of the date of mandatory application, namely the 1st of January 2019, by applying the modified retroactive approach. Under this approach, the cumulative effect of initially applying IFRS 16 is recognized as an adjustment to equity at the date of initial application (DOIA), without restating comparative figures. On the date of initial application, the Group will recognize: (a) a lease liability measured at the present value of the remaining lease payments and discounted using the incremental borrowing rate at the date of initial application; and (b) the right-of-use asset measured at an amount equal to the lease liability, adjusted by prepayments or accrued lease payments relating to that lease.

With respect to short-term leases and those leases in which the underlying asset is of low value, the Group will recognize lease payments as expenses in the Income Statement under the straight-line method and pursuant to the exceptions stipulated in IFRS 16. Meanwhile, the Group will apply the practical expedient provided by the Standard and will not separate non-lease from lease components and will account for each lease component and any associated non-lease component together as a lease.

The Group analyzed the expected effect of IFRS 16 on 1 January 2019. In brief, according to Management's assessment, the adoption of IFRS 16 is expected to have the following effect: the Group estimates that it will recognize in the consolidated Statement of Financial Position right-of-use assets and equal lease liabilities ranging from €1,800 thousand to €2,200 thousand (Company: an amount ranging from €1,600 thousand to €2,000 thousand). In the consolidated income statement, depreciation and amortization is expected to increase and range from €650 thousand to €900 thousand and financial expenses are expected to increase from €80 thousand to €110 thousand. The reduction in rental expenses is expected to lead to an improvement of "Operating profits before interest, taxes, depreciation and impairment" which will range from €700 thousand to €1 million. The expected effect concerns the contracts in effect on 1 January 2019.

The actual effect that the application of IFRS 16 will have depends on the Group's discount rate on 1 January 2019, designation of lease contracts falling under the scope of the new standard on such date and the Group's final assessment about the lease term, especially as regards the exercise of any renewal and termination rights.

The new accounting Standard on leases does not have any significant impact on the Group as lessor.

- **Amendments to IFRS 9: "Prepaid items with Negative Return" (effective for annual periods starting on or after 01.01.2019)**

In October 2017, the IASB published narrow-scope amendments to IFRS 9. Based on the existing requirements of IFRS 9, an entity would measure a financial asset with negative return on fair value through profit or loss, as the "negative return" characteristic could be considered as generating potential cash flows that are not composed solely of principal and interest payments. Under the amendments, entities may measure specific prepaid financial assets with a negative return on amortized cost or at fair value through other comprehensive income, provided that a particular condition is met. The Group will consider the effect of all the foregoing on the Financial Statements. The above provisions have been adopted by the European Union and the day of entry into force is 01.01.2019.

- **IFRIC 23 "Income Tax Treatment Uncertainty" (effective for annual periods starting on or after 1/1/2019)**

In June 2017, the IASB issued a new Interpretation, IFRIC 23. IAS 12 "Income Taxes" specifies the accounting for current and deferred tax but does not specify how the effects of the uncertainty should be reflected. IFRIC 23 includes the requirements that are in addition to IAS 12, specifying how the effects of the uncertainty on the accounting treatment of income taxes should be reflected. The Group will consider the effect of all the foregoing on the Financial Statements. The above provisions have been adopted by the European Union and the day of entry into force is 01.01.2019.

- **Amendments to IAS 28: “Long-term Investments in Associates and Joint Ventures" (effective for annual periods starting on or after 01/01/2019)**

In October 2017, the IASB published narrow-scope amendments to IAS 28. The aim of the said amendments is to provide clarification regarding the accounting treatment of long-term investments in an associate or joint-venture- where the equity method is not applied - according to IFRS 9. The Group will consider the effect of all the foregoing on the Financial Statements though none is expected. The above provisions have been adopted by the European Union and the day of entry into force is 01.01.2019.

- **Annual Improvements to IFRSs 2015-2017 Cycle (effective for annual accounting periods starting on or after 01/01/2019)**

In December 2017, the IASB issued the "Annual Improvements to IFRSs 2015-2017 Cycle", which incorporates a series of amendments to some standards and forms part of the annual IFRS improvement project. The amendments included in this Cycle are the following: **IFRS 3 - IFRS 11:** Participation rights previously held by the acquirer in a joint venture, **IAS 12:** Effect on income tax from payments for financial instruments classified as equity, **IAS 23:** Borrowing costs eligible for capitalization. These amendments are effective for annual periods beginning on or after January 1, 2019. The Group will consider the effect of all the foregoing on the Financial Statements though none is expected. The above provisions have not been adopted by the European Union.

- **Amendments to IAS 19: "Amendment, Curtailment or Settlement of a Defined Benefit Plan" (effective for annual periods starting on or after 01/01/2019)**

In February 2018, the IASB issued limited-purpose amendments to IAS 19, under which an entity is required to use updated actuarial assumptions when determining the current service cost and net interest for the remaining period after the amendment, the curtailment or the settlement of a defined benefit plan. The purpose of these amendments is to enhance the understanding of the financial statements and to provide more useful information to their users. The Group will consider the effect of all the foregoing on the Financial Statements though it is not expected to be important. The above provisions have not been adopted by the European Union.

- **Revision of the Financial Reporting Concept Framework (effective for annual periods starting on or after 01/01/2020)**

In March 2018, the IASB revised the Financial Reporting Concept Framework, the purpose of which was to incorporate important issues that were not covered, as well as to update and provide clarifications in relation to specific guidance. The revised Financial Reporting Concept Framework contains a new chapter on measurement in which the measurement concept is analyzed, including factors that should be taken into account when choosing a measurement basis, issues relating to presentation and disclosure in Financial Statements and guidance regarding the derecognition of assets and liabilities from the Financial Statements. Furthermore, the revised Financial Reporting Concept Framework contains improved definitions of assets and liabilities, guidance to help implement these definitions, updating of the criteria for recognizing assets and liabilities, as well as clarification on significant issues such as the management roles, conservatism, and uncertainty when measuring financial information The Group will consider the effect of all the foregoing on the Financial Statements though none is expected. The above provisions have not been adopted by the European Union.

- **Amendments to the Financial Reporting Concept Framework (effective for annual periods starting on or after 01/01/2020)**

In March 2018, the IASB issued amendments to the Financial Reporting Concept Framework Reports as a follow-up to its review. Some Standards include explicit references to earlier versions of the Financial Reporting Concept Framework. The purpose of these amendments is to update these references and to support the transition to the revised Financial Reporting Concept Framework. The Group will consider the effect of all the foregoing on the Financial Statements though none is expected. The above provisions have not been adopted by the European Union.

- **Amendments to IFRS 3: "Definition of a business" (effective for annual periods starting on or after 01/01/2020)**

In October 2018, the IASB issued narrow-scope amendments to IFRS 3 in order to amend the definition of a business. The amendments will help companies determine whether an acquisition made is of a business or a group of assets. The amended definition emphasizes that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and others. In addition to amending the wording of the definition, the IASB has provided supplementary guidance. The Group will consider the effect of all the foregoing on the Financial Statements. The above provisions have not been adopted by the European Union.

- **Amendments to IAS 1 and IAS 8: "Definition of Material" (effective for annual periods starting on or after 01/01/2020)**

In October 2018, the IASB issued amendments to its definition of material to make it easier for companies to make materiality judgments. The definition of material helps companies decide whether information should be included in their financial statements. The updated definition amends IAS 1 and IAS 8. The amendments clarify the definition of material and how it should be applied by including in the definition guidance that until now has featured elsewhere in IFRS Standards. The Group will consider the effect of all the foregoing on the Financial Statements. The above provisions have not been adopted by the European Union.

- **IFRS 17 "Insurance Contracts" (effective for annual periods starting on or after 01/01/2021)**

In May 2017, the International Accounting Standards Board issued a new Standard, IFRS 17, which replaces an interim standard, IFRS 4. The purpose of the IASB's work was to develop a single, principle-based standard for the accounting of all types of insurance contracts, including reinsurance contracts held by an insurance company. A single principle-based standard will enhance the comparability of the financial reporting between economic entities, jurisdictions and capital markets. IFRS 17 specifies the requirements that an entity should apply to financial reporting that is related to insurance contracts it issues and reinsurance contracts it holds. The Group will consider the effect of all the foregoing on the Financial Statements though none is expected. The above provisions have not been adopted by the European Union.

9.2.3 Effect of initial application of IFRS 9 and IFRS 15

- **IFRS 9 "Financial instruments:**

The Group implemented a new Standard, IFRS 9 "Financial Instruments" as of 1 January 2018 without adjusting the comparative information, recognizing the cumulative effect of initial application to the opening balance of Equity on the date of initial application. Therefore, the adjustments that arose from the application of the new Standard are not displayed on the financial position as at 31 December 2017 but were recognized in the financial position as at 1 January 2018.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets: held to maturity, loans and receivables and available for sale. The adoption of IFRS 9 did not have any effect on the Group's accounting policies referring to financial liabilities while the effect of IFRS 9 on the classification and measurement of financial assets is presented in the table at the end of this section.

As regards the impairment of financial assets, the effect of the adoption of IFRS 9 on the Group's and the Company's equity on 01/01/2018 amounts to €(442,862) and €(415,988) respectively. Therefore, on 01/01/2018 the Group's Equity was reduced by €442,862 while the provisions for bad debts were equally increased and similarly the Company's Equity was reduced by €415,988 which was followed by an equal increase in the provisions for bad debts.

The Group's accounting policies in relation to financial instruments and financial assets, under the provisions of IFRS 9, are described in note 9.2.1 of the Financial Statements.

- **IFRS 15 "Revenue from Contracts with Customers"**

The Group implemented a new Standard, IFRS 15 "Revenue from Contracts with Customers" as of 1 January 2018 without adjusting the comparative information, recognizing the cumulative effect of initial application to the opening balance of Equity on the date of initial application. Therefore, the adjustments that arose from the application of the new Standard are not displayed on the financial position as at 31 December 2017 but were recognized in the financial position as at 1 January 2018.

The overall effect of the application of the new Standard on the Group's and the Company's Equity on 01/01/2018 amounted to €(279,366) and €(184,810), respectively.

The accounting policy on revenue recognition under the IFRS 15 requirements is described in note 9.2.1 of the Financial Statements.

In brief, the effect of adjustments and reclassifications on the Group's and the Company's financials due to application of new IFRS 9 "Financial Instruments" and IFRS 15 "Revenue from Contracts with Customers" is analyzed in the table below. Any items that have not been affected by the changes brought about by the new Standards are not included in the table.

Extract of statement of financial position

Amounts in €	GROUP			
ASSETS	**31/12/2017**	**IFRS 9 - Transition adjustments**	**IFRS 15 - Transition adjustments**	**1/1/2018 adjusted**
Deferred tax assets	1,845,625		118,639	1,964,265
Customers and other trade receivables	15,095,120	(442,862)		14,652,258
Other current assets	1,546,737		15,628	1,562,365
SHAREHOLDER'S EQUITY AND LIABILITIES				
Balance carried forward	(80,469,829)	(442,862)	(279,366)	(81,192,057)
Deferred tax liabilities	1,879,464		4,532	1,883,996
Other short-term liabilities	14,386,303		409,101	14,795,404

	COMPANY			
Amounts in €	**31/12/2017**	**IFRS 9 - Transition adjustments**	**IFRS 15 - Transition adjustments**	**1/1/2018 adjusted**
ASSETS				
Deferred tax assets	1,795,066		80,018	1,875,083
Customers and other trade receivables	15,720,638	(415,988)		15,304,650
Other current assets	1,437,152		15,628	1,452,780
SHAREHOLDER'S EQUITY AND LIABILITIES				
Balance carried forward	(80,403,696)	(415,988)	(184,810)	(81,004,494)
Deferred tax liabilities	1,886,426		4,532	1,890,958
Other short-term liabilities	13,433,681		275,923	13,709,604

9.3 Significant accounting estimates and judgments by Management

Preparing Financial Statements in compliance with the International Financial Reporting Standards (IFRS) requires from Management to make judgments, estimates and assumptions which affect the assets and liabilities, disclosures of contingent assets and liabilities, as well as the income and expenses during the periods under review.

Specific amounts included or affecting the financial statements and the relevant disclosures are estimated via assumptions on values or conditions, which cannot be known with certainty in the period of financial statements compilation. An accounting estimate is considered significant when it is important for the view of the Group's financial situation and results and requires most difficult, subjective or complex Management judgments, mainly as a result of the need to make estimates about the impact of assumptions which are uncertain. The Group evaluates such estimates on a continuous basis, based on past results and experience, meetings with experts, market trends and other methods deemed reasonable under specific conditions, and also on forecasts as to possible future changes.

- **Estimates when calculating the value in use of CGUs**

The Group performs the relevant impairment test of investments in subsidiaries and associates when there are indications of impairment in accordance with the requirements of IAS 36. If it is established that there are reasons of impairment, it is necessary to calculate the value in use and the fair value reduced by the selling cost of each cash-generating unit (CGU). The recoverable amounts of CGUs are specified for impairment testing purposes, based on the calculation of the value in use which requires estimates. In order to calculate the value in use, the estimated cash flows are discounted at present value using a discount rate which reflects current market assessments of the value of money over time and the risks related to this particular CGU. The calculation uses cash provisions based on Management-approved business plans. These business plans and provisions for cash flows usually cover a five-year period. Cash flows beyond the period in which provisions are available are extended according to the estimated growth rates. The key assumptions used in determining the recoverable value of different CGUs and the sensitivity analyses that have been conducted each time are reported in note 13.3 of the Financial Statements.

- **Impairment tests on Goodwill and Intangible Assets**

The Group performs impairment tests on goodwill and on intangible assets with indefinite life that have resulted from subsidiaries and associates, at least on an annual basis and/or whenever there is an indication of impairment according to the provisions of IAS 36. In order to determine if there are reasons for impairment, it is required to calculate the value in use and the fair value less the cost of sale of the business unit. Usually, the methods used are the current value of cash flows, the evaluation based on indexes of similar transactions or businesses that are traded in an active market and the stock price. In order to apply the said methods, Management is required to use data such as the expected future profitability of the subsidiary, business plans and market data such as interest rates etc.

Moreover, other recognized intangible assets with definite useful life, which are subject to depreciation are tested annually in terms of impairment in case there are signs of impairment, by comparing the carrying amount with the sum of discounted cash flows that are expected to arise from the asset. Intangible assets with definite useful life are tested on an annual basis using a fair value method such as discounted cash flows.

- **Recognition of revenue from contracts with predetermined price**

Revenue recognition over a period of time based on the measurement of progress in relation to full satisfaction of a performance obligation depends on estimates relative to the total inputs needed to satisfy performance obligations (e.g. total budgeted contractual cost). Whenever the Group is not able to measure reliably the outcome of a performance obligation (e.g. during the initial stages of a contract), the Group estimates the result to the extent that it is likely that the assumed contractual cost will be recovered while the cost is recognized through the profit or loss of the period in which it is incurred.

- **Software program development**

The expenses attributed to the development of the Group's software programs as intangible assets are recognized in the financial statements only when it is likely that the future economic benefits arising from the intangible assets will accrue to the entity. When estimating the future economic benefits, the Group takes also into account the technical capability to complete the intangible asset and make it available for sale or use, the existence of a market for the product producing the intangible asset or, in case it will be internally used, the usefulness of the intangible assets as well as the capability to measure reliably the expenses attributable to the intangible asset during its development.

- **Useful life of depreciable items**

Management examines the useful life of depreciable assets during each annual reporting period. On 31.12.2018 Management estimates that useful life represents the expected usefulness of assets.

- **Estimate of Fair Value of Financial Instruments**

To calculate the fair value of financial instruments and financial liabilities for which there are no quoted market prices requires the use of specific valuation techniques. The calculation of their fair value requires different types of estimates. The most important estimates refer to the estimate of the different risks to which the instrument is exposed such as business risk, liquidity risk etc., and to the estimate of future prospects of business profitability in case of valuation of equity instruments.

- **Provision for income tax**

The provision for income tax based on IAS 12 is calculated by estimating the taxes to be paid to tax authorities and includes the current income tax for each financial year and a provision for additional taxes likely to arise in tax audits.

Group companies are subject to income tax imposed by various tax authorities. Significant estimates are needed when making income tax provisions. There are many transactions and calculations for which the final level of tax is uncertain during normal business operations. The Group recognizes liabilities for expected tax audit issues, based on estimates about the amount of any additional taxes that may be due. When the final result from the taxes of these cases is other than the amount initially recognized in the financial statements, such differences have an impact on income tax and on provisions for deferred taxes for the period in which these amounts are finalized.

- **Measurement of ECLs**

The impairment of financial assets is based on assumptions involving the risk of default and the percentages of expected credit losses. More specifically, the Group's Management makes judgments when selecting the said assumptions and the inputs for calculating the impairment, based on historical data, existing market conditions and provisions for future financials at the end of the reporting period.

The simplified approach of IFRS 9 is used for contract assets, trade receivables and receivables from leases, calculating the expected credit losses over their lifetime using a table of allowances. This table is based on historical data but is adapted in such a manner as to reflect the provisions for the future situation of the economic environment. To correlate historical data, future economic situation and expected credit losses requires significant estimates. The amount of expected credit losses depends to a large extent on the changes in circumstances and the forward-looking statements for the economic situation. Furthermore, the historical data and forward-looking statements may not lead to conclusions representative of the actual amount of customer default in the future.

- **Provision for personnel compensation**

The amount of the provision for personnel compensation is based on an actuarial study. The actuarial study includes assumptions regarding the discount rate, the percentage of increase of the employees' compensation, the increase of the index of consumer prices and the expected remaining working life. The assumptions used contain significant uncertainties and the Group's Management is constantly reevaluating them

- **Contingent Assets and Contingent Liabilities**

The Group is involved in court claims and compensations during its normal operating activities. Management believes that any settlements would not significantly influence the Group's financial status on 31 December 2018. Management assesses the outcome of the pending court cases taking into account data available to the Group's Legal Service and cooperating law firms, which arise from all recent developments in the cases they manage. In case it is suspected that an outflow of resources will be required to settle the obligation and that amount can be reliably measured, Management raises the necessary provisions. Determining the amount required for settling the obligation is based on Management's estimates and on a number of factors which require judgments. Any changes in judgments or interpretations may eventually result in an increase or decrease in the Group's liabilities in the future. Whenever additional information becomes available, the Group's Management reviews the facts based on which it may lead to revise its estimates. (See note 13.34).

- **Classification of Leases**

When applying the requirements of IAS 17 with respect to the classification of leases, there are cases in which a transaction is not always conclusive. In these cases, Management makes use of estimates in order to determine whether a lease substantially transfers all risks and rewards of ownership from the lessee to the lessor.

10 Summary of accounting policies

10.1 Overview

The significant accounting policies which have been used in the preparation of these consolidated financial statements are summed up below.

10.2 Consolidation and investments in associates

(a) Subsidiaries

Subsidiaries are all the companies which the parent has the power to control directly or indirectly through other subsidiaries. The Company acquires and exercises control mainly through the possession of the majority of voting rights of its subsidiaries. The companies also considered subsidiaries are those in which the Company, being their single major shareholder, has the ability to appoint the majority of the members in the Board of Directors. The existence of potential voting rights which are exercisable during the financial statements preparation is taken into consideration in order to assess whether the Company controls the subsidiaries.

The Group's consolidated financial statements include the financial statements of the parent company and also of the subsidiaries controlled by the Group using the full consolidation method.

The separate financial statements recognize investments in subsidiaries at acquisition cost less any accumulated impairment losses. Impairment test is carried out in accordance with the requirements of IAS 36.

Subsidiaries are consolidated using the full consolidation method from the date on which the Group acquires control over them and cease to be consolidated from the date on which this control no longer exists. The acquisition of a subsidiary by the Group is accounted for based on the acquisition method. On the acquisition date, the acquirer recognizes the goodwill arising from the acquisition as the excess between:

- the aggregate of (i) the consideration transferred measured at fair value; (ii) the amount of any non-controlling interest in the acquiree (measured at their fair value or the proportion of the non-controlling interests over net identifiable assets of the acquiree); and (iii) in a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree; less
- the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Goodwill is tested annually for impairment and the difference between the book and the recoverable value is recognized as impairment loss through profit or loss of the period.

The costs related to the acquisition of investments in subsidiaries (e.g. advisory, legal, accounting, valuation and other professional or consulting fees) are recognized as expenses through profit or loss of the period in which the costs are incurred.

Otherwise, in case the acquirer acquires an equity interest in which the net value of the assets acquired and the liabilities assumed exceeds the consideration transferred on the acquisition date, it is a bargain purchase. Once the necessary reviews are carried out, the excess of the above difference is recognized as profit through profit or loss of the period.

Intra-company transactions, balances and unrealized profits from transactions between companies in the Group are crossed out. Unrealized losses are also crossed out unless the transaction shows indications of impairment of the asset transferred.

The subsidiaries' accounting principles have been amended, when necessary, to be consistent with those adopted by the Group. Note 11 provides a full list of the consolidated subsidiaries alongside the Group's shareholdings.

The reporting date of the subsidiaries' financial statements which was used in full consolidation does not vary from the reporting date of the parent company.

(b) Changes in ownership interests in subsidiaries

When changes are made in the ownership interests in a subsidiary, then it is considered whether these changes result in the entity losing control of the subsidiary or not.

- When changes in ownership interests do not give rise to the loss of control, they are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). In such cases, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the parent.
- Otherwise, i.e. when changes in ownership interests lead to loss of control, the parent accounts for the necessary sales entries and recognizes the result of sale (derecognition of assets, goodwill

and liabilities of the subsidiary on the date control is lost, derecognition of the carrying amounts of the non-controlling interests, measurement of result from sale). Once control of a subsidiary is lost, any investment held in the former subsidiary is recognized in accordance with the requirements of IAS 39.

(c) Non-controlling interests

A non-controlling interest is the portion of equity in a subsidiary not attributable, directly or indirectly, to a parent. The losses pertaining to a subsidiary's non-controlling interests may exceed the rights of the non-controlling interests to the subsidiary's equity. The profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

(d) Associates

An associate is an entity over which the Group may exercise a significant influence but does not control. Significant influence means the power to participate in the financial and operating policy decisions of the investee but not the control over such policies. Significant influence usually exists when the Group holds 20-50% of voting rights through the ownership of shares or other type of agreement. Investments in associates are initially recognized at cost and, for consolidation purposes, the equity method is used.

At the end of each reporting period, the cost is increased or decreased to recognize the Group's proportionate interest in changes in the investee's equity. The Group's share of the investee's profit or loss following acquisition is recognized through profit or loss ("(Loss)/Profit of Investees" account) while the share of changes in post-acquisition reserves is recognized through reserves.

Any changes directly recognized in shareholder' s equity which are not related to results, such as dividend distribution or other transactions with the associate's shareholders are recorded to the carrying amount of the interest. No effect on the net results or equity is recognized in the context of these transactions. Nevertheless, when the Group's share of losses in an associate is equal to or exceeds the carrying amount of the investment, including any other unsecured receivables, the Group does not recognize further losses unless the investor has assumed commitments or has made payments on behalf of the associate. If subsequently the investee records profits, the investor starts recognizing anew its share of the profits provided that its share of the profits is equal to the share of the losses the investor had not recognized.

Unrealized profits on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associate. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset acquired from the associate.

The subsidiaries' accounting principles have been amended, when necessary, to ensure consistency with those adopted by the Group.

Investments in associates in the separate financial statements are measured at fair value according to IAS 39 provisions for financial assets at fair value through other comprehensive income. Investments are initially recognized at fair value while any subsequent change in such value is recognized directly through equity. On 31/12/2017 the Company did not have investments in associates.

10.3 Conversion of items into foreign currency

The Group's consolidated financial statements are presented in Euro (€), which is the functional currency of the parent company.

Transactions in foreign currencies are converted into Euro using the applicable exchange rates on the transaction dates. In the consolidated financial statements, all separate financial statements of subsidiaries and jointly controlled entities, which are initially presented in a currency other than the Group's functional currency (none of which has a currency of a hyperinflationary economy), have been converted into Euro. Assets and liabilities have been converted into Euro at the applicable closing rates during the reporting period. Income and expenses have been converted into the Group's presentation currency using the average exchange rates during the reporting period. Any differences arising from this procedure have been transferred to the translation reserve of Financial Statements to equity.

10.4 Recognition of income and expenses

To recognize and measure the revenue arising from contracts with customers, a model consisting of the following five steps is implemented:

1. identify the contract(s) with a customer;
2. identify the performance obligations in the contract;
3. determine the transaction price;
4. allocate the transaction price to performance obligations in the contract;
5. recognize revenue when a performance obligation is satisfied.

The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (value added tax, other taxes on sales). If the consideration promised in a contract includes a variable amount, the Group estimates the amount of consideration to which it expects to be entitled in exchange for transferring the promised goods or services to a customer by applying the method of expected value or most likely amount. The transaction price is usually allocated to each performance obligation on the basis of the relative stand-alone selling prices of each distinct good or service promised in the contract.

Revenue is recognized when the relevant performance obligations are satisfied either at a point in time (typically for promises to transfer goods to a customer) or over time (typically for promises to transfer services to a customer).

The Group recognizes a contractual obligation for amounts received from customers (prepayments) in relation to performance obligations that have not been satisfied, and also when it retains an unconditional right to consideration (deferred income) prior to execution of the contractual performance obligations and the transfer of goods or services. A contractual obligation is derecognized when contractual obligations are performed and revenue is recognized in the Income Statement.

The Group recognizes a trade receivable when there is an unconditional right to receive consideration for the performed contractual obligations toward the customer. Similarly, a contract asset is recognized when the Group has satisfied its obligations to the customer, before the latter pays or payment becomes due and payable, for instance when goods or services are transferred to the customer before the Group is entitled to issue an invoice.

Revenue recognition is as follows:

-Sales of goods: Income from the sale of goods is recognized when the substantive risks and rewards of ownership of the goods have been transferred to the purchaser, usually upon dispatch of the goods.

-Rendering of services based on contracts at a predetermined price/multi-component contracts: The Group enters into contracts with customers for software maintenance services at a predetermined price or other customer-related long-term construction contracts. These services are provided either cumulatively with the sale of technological equipment (multi-component contracts) or in separate contracts.

Customers are obliged to pay the consideration in part, based on the contractual terms. In case of multi-component contracts, the Group recognizes deliverables based on the contract (services, equipment etc.) and allocates the price between them by using the relative fair value method.

When applying IFRS 15, in the case of multi-component contracts, separate performance obligations are initially defined and thereafter the transaction price is allocated based on the stand-alone selling prices that have been recognized. The revenue from software maintenance services is recognized over time based on the proportion of hours spent during the current reporting period to the total hours expected to be spent, based on contractual terms.

Revenue recognition over a period of time based on the measurement of progress in relation to full satisfaction of a performance obligation depends on estimates relative to the total inputs needed to satisfy performance obligations (e.g. total budgeted contractual cost). Whenever the Group is not able to measure reliably the outcome of a performance obligation (e.g. during the initial stages of a contract), the Group estimates the result to the extent that it is likely that the assumed contractual cost will be recovered while the cost is recognized through the profit or loss of the period in which it is incurred.

-***Income from interest:*** Income from interest is recognized on a time-proportion basis and the effective interest rate method which is the interest rate which precisely discounts future payments in cash or takings for the duration of the expected life of the financial instrument or when necessary for a shorter time, at the net book value of the financial asset or liability. When there is an indication of impairment of the receivables, the book value is reduced to the recoverable amount which is the present value of expected future cash flows discounted using the initial effective interest rate. Following this interest is recorded using the same interest rate based on the impaired (new book) value.

-***Dividends:*** Dividends are recognized as income when the right to receive payment is established.

Expenses: Expenses are recognized through profit or loss on an accrual basis. Payments made for operating leases are presented through profit or loss as expenses during the time the leased property is used. Expenses from interest are recognized on an accrual basis.

10.5 Works Contracts

Works contracts concern the construction of assets or a group of associated assets (special software development projects) specifically for customers pursuant to the terms stipulated in the respective contracts and whose execution usually takes longer than one fiscal year.

The expenses associated with a construction contract are recognized when incurred.

In case it is not possible to measure reliably the outcome of a project construction contract and mainly in case the project is at an early stage:

- income is recognized to the extent the assumed contractual cost is likely to be recovered, and
- contractual cost is recognized in the expenses of the period in which they incurred.

Therefore, the income recognized for these contracts is such that profit from the specific project be nil. When the outcome of a works contract can be reliably measured, the income and expenses arising from the contract are recognized throughout the contract as income and expenses respectively. The Group applies the percentage-of-completion method to determine the appropriate amount of income and expense that the Group will recognize in a specific time period.

The stage of completion is determined on the basis of the contractual cost incurred until the date of the Statement of Financial Position in relation to the total estimated construction cost of each project. When it is probable that the contract's total cost will exceed the total income, the expected loss is directly recognized in the income statement as an expense.

For the cost realized until the end of the period to be calculated, any expenses pertaining to contract-related future works shall be exempted and appear as work in progress. The total cost incurred and the profit/loss recognized for each contract is compared to the progressive invoicing till the end of the year.

When the incurred expenses plus the net profits (less losses) that have been recognized exceed progressive invoicing, the difference is posted as receivable from customers of works contracts in the "Other current assets" account. When progressive invoicing exceeds the incurred expenses plus the net profits (less losses) that have been recognized, the balance is posted as liability to customers of works contracts in the "Other short-term liabilities" account.

10.6 Intangible assets

Intangible assets include mainly software licenses, rights and trademarks. Furthermore, in the Consolidated Financial Statements the intangible assets that were not previously recognized in the separate Financial Statements of the acquired companies, are recognized at fair value.

An intangible asset is initially recognized at cost. The cost of an intangible asset which was acquired in a business combination is the fair value of the asset on the business combination date.

Following initial recognition, intangible assets are measured at acquisition cost less accumulated amortization and any accumulated impairment loss. Amortization is recorded based on the straight-line method during the useful life of the said assets. The period and the amortization method are revised at least at the end of each annual reporting period.

(a) Industrial property rights

Industrial property rights include the purchase of copyright for software sale and are measured at acquisition cost less depreciation and any impairment losses. Depreciation is recorded using the straight-line method over the useful life of the assets which is 5 years.

(b) Goodwill

Goodwill represents the difference between the acquisition cost and fair value of a share of the equity in a subsidiary/ affiliated company on the acquisition date. Goodwill arising from acquisitions of affiliated entities is recognized in the "Interests in affiliated entities" account.

Goodwill is tested every year (or earlier if there are indications of eventual impairment) for impairment and recognized at cost less any impairment losses. Profits and losses from the sale of an enterprise include the book value of goodwill which corresponds to the enterprise sold.

(c) Software development expenses

Research expenses are recognized as expenses in the accounting period in which they arise. Any expenses relating to software development, which is likely to provide the company with future economic benefits, are recognized as intangible assets. Development expenses which had been posted as expenses in the income statement in previous accounting periods are not recorded as intangible assets in a subsequent accounting period if it is established that this particular software development will result in future economic benefits.

The development of programs acquired in a business combination is recognized at their fair value according to the cost the Group would incur to develop the product in-house.

Development expenses which have been capitalized are depreciated from the start of commercial production of the product based on the straight-line method of depreciation during the period that the product is expected to generate benefits. The useful life estimated by the Group ranges from 2 to 8 years.

(d) Software

Software licenses are valued at acquisition cost less depreciation. Depreciation is recorded using the straight-line method over the useful life of the assets which stands at 5 years.

When software is sold, differences between the price received and the book value are posted as profits or losses in the income statement.

When the book value of intangible assets exceeds the recoverable value the differences (impairment) are directly posted as expenses to the results.

(e) Trade name/trademark

Trademarks are words, names, symbols or other means used in commerce to indicate the source of a product and distinguish it from the products of other manufacturers. A service mark qualifies and distinguishes the source of a service instead of a product. General marks are used to qualify merchandise or goods of a Group's members. Certification marks are used to certify the geographical origin or other characteristics of a good or service. Trademarks, trade names, service marks, general marks and certification marks may be legally secured by being registered to government bodies, their continuing commercial use or using other means. If legally secured through registration or other means, a trademark or other mark acquired in a business combination is an intangible asset meeting the contractual-legal criterion. The trade name in the Group's financial statements arose from the acquisition of SingularLogic S.A. Group.

Trademarks are measured at acquisition cost less accumulated amortization and any accumulated impairment loss.

Below is a summary of the policies applied to the useful life of the Group's intangible assets:

Recognized intangible asset	Effective term	Useful life
Trade name	Indefinite	
Purchased software	Definite	5 years, straight-line method
Proprietary software	Definite	5 years, straight-line method

10.7 Tangible assets

Tangible assets are represented at acquisition value in the Financial statements, less accumulated depreciation and any impairment losses. The cost of acquisition includes all directly payable expenses for acquiring such assets.

Subsequent expenses are recorded as an increase in the book value of the fixed assets or as a separate asset, only to the extent that such expenses are increasing the future financial benefits that are expected to flow from the use of the asset and their cost can be reliably measured. The cost of repair and maintenance works is recognized through profit or loss when realized.

Depreciation of other tangible assets is calculated using the straight-line method over their useful life as follows:

Site arrangement	Based on a leasing agreement
Machinery & equipment	10 years
Vehicles	6 years
Furniture and parts	5-10 years

Residual value and the useful life of tangible assets are subject to review on each date of the Statement of Financial Position.

When tangible assets are sold, differences between the price received and the book value are posted as profits or losses in the income statement.

When the book value of tangible assets exceeds the recoverable amount, the differences (impairment) are posted as expenses through profit or loss.

10.8 Accounts receivables and credit policy

Short-term receivable accounts are presented at their nominal value following provisions for any non-receivable balances while long-term accounts of receivables (balances that exceed the normal credit terms) are measured at amortized cost using the effective interest rate method. The Company has established criteria regarding the provision of credit to customers, which are generally based on the customer's size of operations along with the evaluation of the relative financial data. On every reporting date, all due or bad debts are estimated in order to determine whether a provision for bad debts is necessary. The balance of this specific provision for bad debts is properly adjusted on each reporting date in order to reflect the possible relative risks. Any write-off of customers' balances is charged to the existing provision for bad debts. It is the Group's policy not to write-off any receivable before all possible legal actions for receiving it are exhausted.

10.9 Leases

10.9.1 Operating Leases

Asset leases where the lessor retains all risks and rewards of the ownership of the asset are classified as operational leases. Payments for operating leases are recognized as expense in the Income Statement using the straight-line method over the term of the lease.

10.9.2 Finance Leases

Asset leases where the Company substantially retains all risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the lower of the fair value of the asset and the present value of the minimum lease payments. Finance lease payments are allocated between the financial expenses and the decrease in financial liability in order to achieve a fixed interest rate for the remaining liability balance. The financial expenses are recognized through profit or loss. The capitalized leased assets are depreciated based on the smallest period between the expected useful life of the assets or the duration of the lease.

10.10 Impairment of assets

As part of the impairment tests conducted at the end of each annual reporting period, the Group:

i) recognizes and evaluates the prevailing circumstances in the Greek economy as well as the performance of a sample of companies in the industry of each company.

ii) It collects, analyzes and monitors consolidated information on performance using as benchmark the evolution of the companies' financials at the end of each annual reporting period. The analysis of these data provides insight into whether business goals are achieved or not and illustrates the trend of results and financial performance of the companies at the end of each annual reporting period.

iii) It considers the business circumstances and available information and estimates regarding subsequent developments of financials and trends.

Whenever indications of impairment arise in interim reporting periods, the Group reviews the assumptions of its business plans, using as basis the business plan prepared at the end of the previous annual reporting period which concerns subsequent periods in a five-year horizon.

10.10.1 Non-financial assets (goodwill, intangible assets, tangible assets)

Group goodwill, intangible and tangible assets are subject to impairment tests.

To estimate impairment, assets are classified at the smallest group of assets that can generate cash inflows regardless of other assets or groups of assets within the Group (cash-generating units). Thus, certain assets are tested for impairment separately while others are tested at the level of cash-generating units.

An impairment loss is recognized for the amount by which the carrying amount of an asset or a cash-generating unit is higher than its recoverable amount which is the higher of its fair value less costs to sell and the value in use. To determine the value in use, Management specifies the estimated future cash flows for each Cash Generating Unit by setting a suitable discount rate in order to calculate the present value of such cash flows. The elements used in impairment test derive directly from the most recent, Management-approved budgets, after being properly adjusted to exclude future reorganizations and improvements of assets. Discount rates are specified separately for each cash-generating unit and reflect the respective risks designated by Management for each one of them.

Impairment losses of cash-generating units first reduce the book value of the goodwill allocated to them. The remaining impairment losses are charged pro rata to the other assets of the specific cash-generating unit. Save goodwill, all assets are subsequently re-measured in case the impairment loss that had been initially recognized is no longer applicable. Impairment losses are recognized as expenses through profit or loss when they incur and may be reversed in a subsequent accounting period save impairment losses relating to goodwill.

10.10.2 Financial assets

The Group and the Company recognize an allowance for impairment for expected credit losses (ECL) in relation to all financial assets, excluding those assets measured at fair value through profit or loss.

The goal of IFRS 9 impairment requirements is to recognize the lifetime ECLs of a financial instrument the credit risk of which has increased since initial recognition, regardless of whether the evaluation is carried out at collective or individual level, using all information that can be collected, based on historical and current data, as well as data involving reasonable forward-looking statements.

To implement the above approach, a distinction is made between:

- the financial assets the credit risk of which has not increased significantly since initial recognition or which have low credit risk at reporting date (Stage 1),
- the financial assets the credit risk of which has increased significantly since initial recognition or which do not have low credit risk at reporting date (Stage 2),
- the financial assets for which there are objective indications of impairment on reporting date (Stage 3).

With respect to the financial assets falling under Stage 1, ECLs are recognized for the next 12 months while as regards those assets falling under Stage 2 or Stage 3 lifetime ECLs are recognized.

Expected credit losses are based on the difference between contractual cash flows and all cash flows the Group or the Company expects to receive. The difference is discounted using an assessment of the initial effective rate of the financial asset.

The Group applies the simplified approach of the Standard in relation to contract assets, trade receivables and lease receivables by calculating the lifetime expected credit losses of such assets. In this case, the ECLs account for the expected deficits in contractual cash flows, taking into account the probability of default at any point in time in the lifetime of the financial instrument. When calculating the expected credit losses, the Group uses a table of allowances after grouping together the aforementioned financial instruments based on the nature and maturity of balances and taking into account available historical data regarding debtors, adjusted for future factors involving debtors and economic environment.

10.11 Financial Instruments

A financial instrument is defined as an agreement creating either a financial asset in a company and a financial liability, or a shareholding in another company.

10.11.1 Initial recognition and derecognition

A financial asset or a financial liability is recognized in the Group's Statement of Financial Position when and only when the Group becomes a party to the contractual terms of the financial instrument.

A financial asset is derecognized from the Statement of Financial Position when the contractual rights to cash flows of the asset expire or the Group transfers the financial asset and actually all the risks and rewards that arise from ownership thereof.

A financial liability (or part thereof) is derecognized from the Statement of Financial Position when and only when the liability stipulated in the contract is fulfilled, canceled or expires.

10.11.2 Classification and Measurement of Financial Assets

Apart from those trade receivables which do not contain any significant financing component and are measured based on their transaction price pursuant to IFRS 15, financial assets are initially measured at fair value by adding the relevant cost of the transaction except for those financial assets measured at fair value through profit or loss.

Financial assets, save those which are designated and effective hedging instruments, are classified under the following categories:

a. financial assets at amortized cost;
b. financial assets measured at fair value through profit or loss; and
c. financial assets at fair value through other comprehensive income.

The classification is based on the Group's business model in which a financial asset is managed and its contractual cash flow characteristics.

All income and expenses related to the financial assets and recognized in the Income Statement are included in the accounts "Other financial results", "Financial expenses" and "Financial income", except for the impairment of trade receivables which is included in operating results.

10.11.3 Subsequent measurement of financial assets

A financial asset is subsequently measured at fair value through profit or loss, at amortized cost or at fair value through other comprehensive income. Classification is based on two criteria:

i. the business model applicable to financial assets management, i.e. whether its objective is to hold them in order to collect contractual cash flows, or to collect contractual cash flows and sell financial assets; and
ii. if the contractual cash flows of the financial asset consist solely in payments of principal and interest on the principal amount outstanding (criterion "SPPI").

The category of measurement at amortized cost includes non-derivative financial assets such as loans and receivables with fixed or predetermined payments that are not traded in any active market. After initial recognition, they are measured at amortized cost using the effective interest rate method. Whenever the impact of discount is insignificant, discount is omitted.

As regards those financial assets measured at fair value through other comprehensive income, changes in fair value are recognized in other comprehensive income of the Statement of Comprehensive Income and are reclassified in the Income Statement upon derecognition of financial instruments.

With respect to those financial assets measured at fair value through profit or loss, they are measured at fair value and changes in fair value are recognized through profit or loss in the Income Statement. The fair value of assets is determined by reference to transactions on an active market or by using valuation techniques whenever there is no active market.

10.11.4 Classification and Measurement of Financial Liabilities

The Group's financial liabilities include mainly corporate bonds and bank loans. Loan liabilities are initially recognized at cost which is the fair value of the consideration received less the cost of issuing with respect to borrowing. After initial recognition, loans are measured at the amortized cost using the effective interest rate method. Loans are classified in short-term liabilities unless the Group unconditionally reserves the right to transfer the settlement of the liability at least 12 months after the reporting date of the financial statements.

Financial liabilities may be classified upon initial recognition as measured at fair value through profit or loss if the following criteria are satisfied.

(a) The classification is reversed or significantly reduces an accounting mismatch that would otherwise arise if the liability had been measured at amortized cost.
(b) Such liabilities are part of a group of liabilities which are managed or evaluated in terms of performance on the basis of fair value in accordance with the Group's financial risk management strategies.
(c) The financial liability has an embedded derivative which is classified and measured separately.

10.11.5 Fair value measurement methods

The fair value of financial assets and financial liabilities traded in an active market is specified by the current bid prices without excluding the costs to sell. In the case of assets not so traded, fair values are designated using generally accepted valuation techniques such as recent transaction analysis, reference to traded comparable assets, derivatives valuation models and cash flow discounts.

The Group employs widely accepted valuation methods to assess the fair value of ordinary products such as warrants and interest rate and exchange swaps. The data used are based on relevant market measurements (interest rates, equity prices etc.) on the reporting date of the Statement of Financial Position. Valuation techniques are also used to measure non-negotiable equity instruments and derivatives with non-negotiable equity instruments as underlying asset. In this case, the techniques employed are more complicated and they include not only market data but also estimates about the security's future cash flows. Estimated future cash flows are based on Management's best estimates and the discount rate used is the market rate for an instrument with identical characteristics and risks.

In some cases, the value arising from widely accepted valuation methods of equity instruments is adjusted to reflect factors that market players need to take into account when assessing the value of an instrument, such as business risk and marketability risk.

The method used to designate the fair value of financial instruments, which are measured using valuation models, is described below. These models include the Group's estimates about the assumptions that an investor would use when measuring the fair value, and are selected based on each investment's specific characteristics.

Under IFRS 9 requirements, upon expiry of each reporting period of financial statements, the Company performs the necessary calculations regarding the designation of the fair value of its financial instruments. The investments referring to shares listed in domestic and foreign stock exchanges are measured based on the stock prices of such shares. Those investments referring to unlisted shares are measured based on generally accepted valuation models which include data based on market observable input or non-observable input.

10.11.6 Offsetting

Financial assets and financial liabilities are offset and the net amount is presented in the Statement of Financial Position only when the Group has the legal right and intends to realize the financial asset and settle the financial liability on a net basis.

Income and expenses are offset only if such an act is permitted by the standards or when they refer to gains or losses that arose from a group of similar transactions such as trading portfolio transactions.

10.12 Inventories

Inventories include merchandise, consumables and non-distributed software licenses.

On the date of the Statement of Financial Position, inventories are recognized at the lower between acquisition cost and net realizable value.

The net realizable value is the estimated selling price in the normal course of business less the estimated cost required to make the sale. The cost is designated using the average weighted cost method.

The cost includes all expenses incurred to make inventories reach the current situation, which are directly attributable to the production process, and a part of production-related overheads, which is absorbed on the basis of normal operating capacity of manufacturing plants.

A provision for slow-moving or impaired inventories is formed when necessary.

10.13 Income tax accounting

10.13.1 Current income tax

The current tax is calculated based on the tax Statements of Financial Position of each individual company that is included in the Consolidated Financial Statements, according to the tax laws in force in Greece or other tax frameworks within which the subsidiaries abroad operate. The charge for current income tax includes the income tax resulting based on the profits of each Company as adjusted in its tax returns and provisions for additional taxes and is calculated according to the enacted or substantively enacted tax rates.

10.13.2 Deferred income tax

Deferred taxes are the taxes or the tax relieves from the financial encumbrances or benefits of the financial year in question, which have been allocated or shall be allocated to different financial years by tax authorities. Deferred income tax is determined according to the liability method which results from the temporary differences between the book value and the tax base of assets or liabilities. Deferred income tax is not accounted for if it results from the initial recognition of an asset or liability in a transaction, except for a business combination, which when it occurred did not affect either the accounting or the tax profit or loss.

Deferred tax assets and liabilities are valued based on the tax rates that are expected to be in effect during the fiscal year in which the asset or liability will be settled, taking into consideration the tax rates (and tax laws) that have been put into effect or are essentially in effect up until the reporting date of the Statement of Financial Position. Where it is not possible to clearly determine the time needed to reverse the temporary differences, the tax rate to be applied is the one in force in the financial year after the date of the Statement of Financial Position.

Deferred tax assets are recognized to the extent that there will be a future tax profit to be set against the temporary difference that creates the deferred tax asset while they are re-examined on each reporting date and are reduced to the extent that it is no longer likely that an adequate taxable profit will be available to permit use of the beneficial part or all of the deferred tax asset.

Deferred income tax is recognized for the temporary differences that arise from investments in subsidiaries and associates, with the exception of the case where the reversal of the temporary differences is controlled by the Group and it is possible that the temporary differences will not be reversed in the foreseeable future.

Most changes in deferred tax assets and liabilities are recognized as a part of tax expenses in the Statement of Profit or Loss for the financial year. Only changes in assets or liabilities that affect the temporary differences are recognized directly in the equity of the Group, and result in the relevant change in deferred tax assets or liabilities being charged against the relevant Equity account

10.14 Cash and cash equivalents

Cash and cash equivalents include cash in banks and the treasury and short-term, highly-liquid investments such as securities on money markets and bank deposits with a maturity date of 3 months or less. They also include distinctively the Group and Company's blocked deposits

For Cash Flow Statements to be prepared, cash consists of cash on hand and deposits with banks as well as cash as described above.

10.15 Equity

The share capital is calculated based on the nominal value of shares which have been issued. Ordinary shares are posted as equity. The share capital increase through payment in cash includes all premiums on capital stock at the initial share capital issue.

All transaction costs related to issuing shares and any related resultant income tax benefit are deducted from the share capital increase.

The items of a financial instrument: a) generating a financial liability of the entity and b) providing the instrument holder with an option to convert it to an equity instrument of the entity are separately recognized as financial liabilities, financial assets or equity instruments.

The foreign exchange differences arising from the conversion of subsidiaries' financial statements in the Group's functional currency are included in the translation reserve.

Retained earnings include current and prior-period results as disclosed in the income statement.

10.16 Government Grants

The Group receives government and European grants for its participation in specific research projects. Government grants are recognized at the time the amount of the grant is acquired. All grants related to expenses incurred are offset against research expenses.

SingularLogic

10.17 Pension benefits and short-term employee benefits

10.17.1 Short-term benefits

Short-term employee benefits (except post-employment benefits), monetary and in kind, are recognized as an expense when they accrue. Any unpaid amount is recognized as a liability, whereas in case the amount already paid exceeds the amount of benefits, the entity identifies the excessive amount as an asset (prepaid expense) only to the extent that the prepayment will lead to a future payment reduction or refund.

10.17.2 Pension benefits

Employment termination benefits include lump sum compensations, pensions and other benefits paid to the employees after their employment termination in return for their service. The Group's obligations for pension benefits concern both defined contribution plans and defined benefit plans.

The accrued cost of defined contribution plans is recorded as an expenditure over the relevant period. Pension plans adopted by the Group are partially financed through payments to insurance companies or social security organizations of the State.

(a) Defined benefit plans

The Company pays its employees severance pay or retirement compensation in accordance with Laws 2112/20 and 4093/2012. The amount of paid compensation depends on the years of past service, the amount of earnings and the way of withdrawal from the company (dismissal or retirement).

Entitlement to these plans is vested based on the employee’s years of past service until retirement.

The liability recognized in the Statement of Financial Position for the defined benefit plans is the present value of the obligation for the defined benefit, less the fair value of the assets of the plan (reserve from the payments to the insurance company) and the changes that arise from any actuarial gains and losses and the cost of past service. The commitment of the defined benefit is calculated per annum by an independent actuary using the projected unit credit method. For the discount of FY 2018, the interest rate selected is following the trend of iBoxx AA Corporate Overall 10+ EUR indices, which is considered consistent with the principles of IAS 19, i.e. it is based on bonds equivalent to the currency and expected duration compared to the benefits to employees, and also appropriate for long-term provisions.

A defined benefit plan designates specific liabilities for payable benefits, based on various factors such age, years of past service, and salary. The provisions for the period are included in the relevant personnel cost in the attached separate and consolidated Income Statements and consist of the current and past cost of service, the relevant financial cost, actuarial gains or losses and any eventual surcharges. As regards unrecognized actuarial gains or losses, revised IAS 19 is applied, which includes a series of amendments to the accounting treatment of defined benefit plans including among others:

- the recognition of actuarial gains/losses through other comprehensive income and definite exemption from the profit or loss of the period;
- the expected returns on the plan's investments are no longer recognized through profit or loss of the year but the relevant interest involving the net liability/(receivable) of the benefit is recognized, such interest
  being calculated based on the discount rate used to measure the defined benefit liability;
- the cost of past service is recognized through profit or loss of the period earlier than the plan’s amendment dates or when the relevant restructuring or termination benefit is recognized;
- other changes include new disclosures, such as quantitative sensitivity analysis.

(b) Defined contribution plan

Defined contribution plans concern the payment of contributions to Social Security Organizations; as a result, the Group has no legal obligation in the case that the Organization cannot pay the pension to the person insured. The employer's obligation is limited to the payment of employers' contribution to the Organization. The payable contribution by the Group in a defined contribution plan is identified as a liability after the deduction of the paid contribution, while accrued contributions are recognized as an expense in the income statement.

10.18 Loans

Bank loans ensure long-term financing of the Group's operations. All loans are initially recognized at cost which is the fair value of the consideration received less the cost of issuing with respect to borrowing. After initial recognition, loans are measured at the amortized cost using the effective interest rate method. Loans are classified in short-term liabilities unless the group unconditionally reserves the right to transfer the settlement of the liability at least 12 months after the reporting date of the financial statements.

10.19 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when the Group has present legal or imputed liabilities as a result of past events; their settlement is possible through an outflow of resources and the exact liability amount may be estimated reliably. Provisions are reviewed on the date on which the Financial Statements are drafted and are adjusted in order to reflect the current value of the expense which is expected to be required to settle the liability. Restructuring provisions are identified only if there is a thorough restructuring plan and if Management has informed the affected parties on the plan's key points. When the impact on the value of money over time is significant, the amount of the provision is the current value of the expenses expected to be required in order to settle the liability.

If it is not probable that an outflow of resources will be required in order to settle a liability for which a provision has already been raised, then it is reversed.

In cases where the outflow of economic resources due to current commitments is considered improbable or the provision amount cannot be reliably estimated, no liability is recognized in the financial statements.

Contingent liabilities are not recognized in the financial statements but are disclosed unless the likelihood of a resource outflow incorporating economic benefits is remote. Possible inflows from economic benefits of the Group which do not meet the criteria of an asset are considered a contingent asset and are disclosed when the inflow of economic benefits is probable.

11 Group Structure

On 31.12.2018, Company shareholders were:

1. “MARFIN INVESTMENT GROUP HOLDINGS S.A.” by 63.20%

2. “TOWER TECHNOLOGY HOLDINGS (OVERSEAS) LTD” by 22.50%

3. “GLOBAL EQUITY INVESTMENTS S.A.” by 14.30%.

As of 07.02.2011, “MARFIN INVESTEMENT GROUP HOLDINGS S.A.” owns 100% of the share capital of “TOWER TECHNOLOGY HOLDINGS (OVERSEAS) LTD”.

On 31.12.2018 the Group’s financial statements were consolidated by applying the full consolidation method of accounting by MARFIN INVESTMENT GROUP Holdings S.A. In the financial statements, the investments in subsidiaries and associates have been measured at impaired acquisition cost.

In detail, the Group's structure and company consolidation method are broken down below.

Note	Company Name	Country of establishment	Type of participation	% of participation 31.12.18	Consolidation method on 31.12.18	% of participation 31.12.17	Consolidation method on 31.12.17
	SINGULARLOGIC A.E.	Greece	Parent Company				
	PCS A.E.	Greece	Direct	50.50%	Full	50.50%	Full
	INFOSUPPORT S.A.	Greece	Direct	34.00%	Equity	34.00%	Equity
	LOGODATA S.A.	Greece	Direct	23.88%	Equity	23.88%	Equity
8	METASOFT S.A.	Greece	Direct	68.80%	Full	68.80%	Full
	METASOFT S.A.	Greece	Indirect	31.20%	Full	31.20%	Full
	SINGULARLOGIC ROMANIA SRL	Romania	Direct	99.97%	Full	99.97%	Full
	SINGULARLOGIC ROMANIA SRL	Romania	Indirect	0.03%	Full	0.03%	Full
	SINGULARLOGIC BULGARIA EOOD	Bulgaria	Direct	100.00%	Full	100.00%	Full
7	SINGULARLOGIC B.V.	The Netherlands	Direct	100.00%	Full	-	-
	SENSE ONE TECHNOLOGIES S.A.	Greece	Direct	50.99%	Full	50.99%	Full
	SINGULARLOGIC MARITIME SERVICES LTD	Cyprus	Indirect	100%	Full	100%	Full
1	DPS LTD.	Greece	Direct	94.40%	Not consolidated	94.40%	Not consolidated
2	TASIS CONSULTANTS S.A.	Greece	Direct	59.60%	Not consolidated	59.60%	Not consolidated
3	VELVET JOINT VENTURE	Greece	Direct	50.00%	Not consolidated	50.00%	Not consolidated
4	MODULAR S.A.	Greece	Direct	60.00%	Not consolidated	60.00%	Not consolidated
5	BUSINESS LOGIC S.A.	Greece	Direct	97.40%	Not consolidated	97.40%	Not consolidated
5	HELP DESK S.A.	Greece	Indirect	87.00%	Not consolidated	87.00%	Not consolidated
	SYSTEM SOFT S.A.	Greece	Direct	66.00%	Full	66.00%	Full
	SYSTEM SOFT S.A.	Greece	Indirect	34.00%	Full	34.00%	Full
	SINGULARLOGIC CYPRUS LTD	Cyprus	Direct	98.80%	Full	98.80%	Full
	G.I.T. HOLDING S.A.	Greece	Direct	100.00%	Full	100.00%	Full
	G.I.T. CYPRUS	Cyprus	Indirect	100.00%	Full	100.00%	Full
	INFO S.A.	Greece	Indirect	35.00%	Equity	35.00%	Equity
6	CHERRY S.A.	Greece	Indirect	33.00%	Not consolidated	33.00%	Not consolidated

Notes:

1. DPS Ltd does not carry on any activity. SingularLogic does not exercise any management influence over it. DPS Ltd was not included in the consolidation on 31.12.2018.

2. TASIS - CONSULTING S.A. was put into liquidation by decision of its General Meeting on 20.07.2005. The liquidation had not been completed by 31.12.2018. TASIS– CONSULTING S.A. was not included in the consolidation on 31.12.2018.

3. VELVET Joint Venture does not carry on any activity. SingularLogic does not exercise any management influence over it. VELVET joint venture was not included in the consolidation on 31.12.2018.

4. Modular S.A. was put into liquidation by decision of its General Meeting on 30.06.2005. The liquidation had not been completed by 31.12.2018. Modular S.A. was not included in the consolidation on 31.12.2018.

5. The company Business Logic S.A. and its subsidiary “Helpdesk S.A.” were put into liquidation by decision of their General Meetings on 30.06.2005. The liquidation had not been completed by 31.12.2018. These companies were not included in the consolidation on 31.12.2018.

6. CHERRY S.A. was put into liquidation by decision of its General Meeting on 13.07.2006. The liquidation had not been completed by 31.12.2018. CHERRY S.A. was not included in the consolidation on 31.12.2018.

7. On 15.05.2018 the Company set up SINGULARLOGIC B.V., with its registered office in Amsterdam and an initial share capital of €5,000. The key activity of the new company is to provide services in the sector of IT systems integration and automation, in the development, installation, support and operation of information technology, as well as in the development and trade of software programs for computers and all types of electronic devices, together with the relevant maintenance and training services, project management services and all other forms of services-related information technology applications regarding both software and hardware.

8. METASOFT S.A. was put into liquidation by decision of its General Meeting on 28.09.2018. On 29/10/2018, the General Commercial Registry issued its decision about dissolution of the company and its liquidation. The liquidation had not been completed by 31.12.2018. METASOFT S.A. was included in the consolidation on 31.12.2018.

12 Additional information on business sectors

The Group's activities are:

- Study, design, development, processing, manufacture, trade and marketing of IT systems and high-tech products.
- Software production, development and support.
- IT - computing services.
- Software, hardware and systems software

The Group sales per category are analyzed as follows:

Breakdown of sales per category	**31/12/2018**	**31/12/2017**
Amounts in €		
Sales of software user licenses	3,167,950	3,013,836
Software maintenance sales	15,344,575	14,733,272
Sales of services	17,711,971	14,994,154
Sales of Merchandises	5,282,344	4,802,911
Total	**41,506,840**	**37,544,172**

Geographical information reporting:

The Group primarily operates in Greece where it has its registered office while also operating in European countries, the latter accounting for 7% of its consolidated turnover.

01/01 - 31/12/2018	**Greece**	**European countries**	**Other countries**	**Total**
Income from clients	38,606,564	2,734,305	165,972	**41,506,840**
Non-current assets	71,546,105	147,487	-	**71,693,592**
01/01 – 31/12/2017	**Greece**	**European countries**	**Other countries**	**Total**
Income from clients	34,395,303	2,978,652	170,217	**37,544,172**
Non-current assets	74,022,862	66,327	-	**74,089,189**

Non-current assets do not include Financial Assets or Deferred Tax Assets.

13 Notes to the Financial Statements

13.1 Tangible assets

On 31.12.2018, the tangible assets of the Group and the Company are broken down as follows:

THE GROUP

(amounts in €)	Buildings and facilities	Vehicles	Machinery	Furniture and other equipment	Total
Book value on 31.12.2016	**833,781**	**12,088**	**28,001**	**829,403**	**1,703,272**
Gross book value	2,935,044	199,772	694,791	6,297,215	**10,126,820**
Accumulated depreciation	(2,193,485)	(188,713)	(677,807)	(5,645,536)	**(8,705,542)**
Book value on 31.12.2017	**741,559**	**11,059**	**16,984**	**651,679**	**1,421,279**
Gross book value	3,029,766	204,076	697,946	6,395,277	**10,327,063**
Accumulated depreciation	(2,383,544)	(192,824)	(684,249)	(5,857,404)	**(9,118,021)**
Book value on 31.12.2018	**646,222**	**11,252**	**13,697**	**537,873**	**1,209,042**

(amounts in €)	Buildings and facilities	Vehicles	Machinery	Furniture and other equipment	Total
Book value on 31.12.2016	**833,781**	**12,088**	**28,001**	**829,403**	**1,703,272**
Additions	74,796	3,995	1,208	415,829	**495,828**
Acquisition cost of disposals/ revoked products	-	(2,075)	-	(375,820)	**(377,895)**
Depreciation of disposals/ revoked products	-	2,075	-	127,257	**129,332**
Depreciation	(167,017)	(5,025)	(12,122)	(344,991)	**(529,155)**
Net foreign exchange differences	-	-	(104)	-	**(104)**
Book value on 31.12.2017	**741,559**	**11,059**	**16,984**	**651,679**	**1,421,279**
Additions	211,551	-	3,154	114,837	**329,542**
Other transfers	-	4,304	-	-	**4,304**
Acquisition cost of disposals/ revoked products	(116,829)	-	-	(16,774)	**(133,603)**
Depreciation of disposals/ revoked products	13,853		-	12,693	**26,546**
Depreciation	(203,912)	(4,111)	(6,470)	(224,561)	**(439,054)**
Net foreign exchange differences	-	-	28	-	**28**
Book value on 31.12.2018	**646,222**	**11,252**	**13,697**	**537,873**	**1,209,042**

In 2018, the balance of the transportation means acquired through leasing refers to the transportation means of the subsidiary "SINGULARLOGIC BULGARIA". This account is broken down as follows:

(Amounts in €)	Vehicles through leasing
Book value on 31.12.2016	**24,375**
Gross book value	147,760
Accumulated depreciation	(142,849)
Book value on 31.12.2017	**4,911**
Gross book value	147,760
Accumulated depreciation	(146,321)
Book value on 31.12.2018	**1,439**

(amounts in €)	Vehicles through leasing
Book value on 31.12.2016	**24,375**
Reclassifications	(14,561)
Depreciation	(4,903)
Book value on 31.12.2017	**4,911**
Depreciation	(3,472)

Book value on 31.12.2018	**1,439**

	THE COMPANY				
	Buildings and facilities	**Vehicles**	**Machinery**	**Furniture and other equipment**	**Total**
Book value on 31.12.2016	**833,501**	**15**	**7,025**	**774,528**	**1,615,068**
Gross book value	2,438,850	9,386	98,635	4,351,935	**6,898,806**
Accumulated depreciation	(1,711,927)	(5,497)	(93,141)	(3,741,424)	**(5,551,989)**
Book value on 31.12.2017	**726,924**	**3,889**	**5,494**	**610,512**	**1,346,817**
Gross book value	2,513,337	9,386	98,635	4,425,483	**7,046,841**
Accumulated depreciation	(1,897,024)	(6,136)	(94,033)	(3,935,837)	**(5,933,030)**
Book value on 31.12.2018	**616,313**	**3,250**	**4,602**	**489,646**	**1,113,811**

	Buildings and facilities	**Vehicles**	**Machinery**	**Furniture and other equipment**	**Total**
Book value on 31.12.2016	**833,501**	**15**	**7,025**	**774,528**	**1,615,068**
Additions	58,812	3,995	449	406,279	**469,536**
Acquisition cost of disposals/ revoked products	-	(2,075)	-	(366,106)	**(368,181)**
Depreciation of disposals/ revoked products	-	2,075	-	117,786	**119,861**
Depreciation	(165,389)	(122)	(1,981)	(321,976)	**(489,468)**
Book value on 31.12.2017	**726,924**	**3,889**	**5,494**	**610,512**	**1,346,817**
Additions	175,333	-	-	90,322	**265,655**
Acquisition cost of disposals/ revoked products	(100,846)	-	-	(16,774)	**(117,620)**
Depreciation of disposals/ revoked products	12,225	-	-	12,693	**24,918**
Depreciation	(197,322)	(639)	(892)	(207,105)	**(405,959)**
Book value on 31.12.2018	**616,313**	**3,250**	**4,602**	**489,646**	**1,113,811**

There are no mortgages or mortgage liens or other encumbrances registered in respect of the Group's tangible assets.

Group's operating leases as a lessee:

The future rental fees from buildings' operating leases of the Group and the Company are broken down as follows:

THE GROUP				
01/01-31/12/2018	**Up to 1 year**	**From 2 to 5 years**	**After 5 years**	**Total**
Buildings	681,300	1,020,454	148,500	**1,850,254**
Vehicles	477,133	413,304	-	**890,437**

THE COMPANY				
01/01-31/12/2018	**Up to 1 year**	**From 2 to 5 years**	**After 5 years**	**Total**
Buildings	544,780	832,934	148,500	**1,526,214**
Vehicles	437,147	355,688	-	**792,835**

THE GROUP				
01/01-31/12/2017	**Up to 1 year**	**From 2 to 5 years**	**After 5 years**	**Total**
Buildings	720,628	1,601,754	166,200	**2,488,582**
Vehicles	531,301	734,712	-	**1,266,013**

	THE COMPANY			
01/01-31/12/2017	**Up to 1 year**	**From 2 to 5 years**	**After 5 years**	**Total**
Buildings	585,208	1,277,714	166,200	**2,029,122**
Vehicles	504,651	720,633	-	**1,225,284**

The operating lease rental fees which were recognized as expenses during the period 01.01-31.12.2018 for the Group amount to €1,356,729 (01.01-31.12.2017: €1,505,635) and for the Company to €1,215,063 (01.01-31.12.2017: €1,357,047). The Company's building leases have a 5- and 10-year term and the Group's vehicle leases a 4-year term.

13.2 Intangible assets

The largest part of the Group's intangible assets pertains to the recognized mark of the absorbed company "SingularLogic S.A." on software developed by Group companies and also on purchased software licenses. The book values of the above are broken down in the tables below.

On 31.12.2018 a pledge on the Company's trademarks exists.

	THE GROUP				
(amounts in €)	**Software**	**Development**	**Trade name**	**Rights**	**Total**
Book value on 31.12.2016	**430,283**	**7,718,001**	**13,206,586**	**-**	**21,354,869**
Gross book value	8,065,263	27,895,190	12,806,739	375,499	**49,142,690**
Accumulated depreciation	(7,536,861)	(23,140,922)	-	(375,499)	**(31,053,281)**
Book value on 31.12.2017	**528,402**	**4,754,268**	**12,806,739**	**-**	**18,089,409**
Gross book value	8,369,163	29,398,663	12,806,739	375,499	**50,950,064**
Accumulated depreciation	(7,850,468)	(24,228,170)	-	(375,499)	**(32,454,136)**
Book value on 31.12.2018	**518,696**	**5,170,494**	**12,806,739**	**-**	**18,495,928**

(amounts in €)	**Software**	**Development**	**Trade name**	**Rights**	**Total**
Book value on 31.12.2016	**430,283**	**7,718,001**	**13,206,586**	**-**	**21,354,869**
Additions	424,418	1,931,744	-	-	**2,356,161**
Acquisition cost of disposals	(41,628)	-	-	-	**(41,628)**
Impairment losses recognized in the income statement	-	(2,260,312)	(399,847)	-	**(2,660,159)**
Depreciation of goods sold	994	-	-	-	**994**
Depreciation	(284,598)	(2,635,165)	-	-	**(2,919,762)**
Net foreign exchange differences	(1,067)	-	-	-	**(1,067)**
Book value on 31.12.2017	**528,402**	**4,754,268**	**12,806,739**	**-**	**18,089,409**
Additions	344,003	1,503,474	-	-	**1,847,476**
Acquisition cost of disposals	(40,102)	-	-	-	**(40,102)**
Depreciation	(313,570)	(1,087,248)	-	-	**(1,400,818)**
Net foreign exchange differences	(37)	-	-	-	**(37)**
Book value on 31.12.2018	**518,696**	**5,170,494**	**12,559,697**	**-**	**18,495,928**

	THE COMPANY				
(amounts in €)	**Software**	**Development**	**Commercial Trademarks**	**Rights**	**Total**

Book value on 31.12.2016	**327,927**	**6,979,867**	**13,206,586**	**-**	**20,514,380**
Gross book value	5,791,402	25,343,313	12,806,739	140,062	**44,081,516**
Accumulated depreciation	(5,368,265)	(21,323,224)	-	(140,062)	**(26,831,552)**
Book value on 31.12.2017	**423,136**	**4,020,089**	**12,806,739**	**-**	**17,249,964**
Gross book value	6,072,838	26,698,514	12,806,739	140,062	**45,718,153**
Accumulated depreciation	(5,649,293)	(22,271,076)	-	(140,062)	**(28,060,431)**
Book value on 31.12.2018	**423,545**	**4,427,438**	**12,806,739**	**-**	**17,657,722**

	Software	Developmen t	Commercial Trademarks	Rights	Total
Book value on 31.12.2016	**327,927**	**6,979,867**	**13,206,586**	**-**	**20,514,380**
Additions	394,867	1,737,734	-	-	**2,132,601**
Acquisition cost of disposals	(40,634)	-	-	-	**(40,634)**
Impairment losses recognized in the income statement	-	(2,260,312)	(399,847)	-	**(2,660,159)**
Depreciation	(259,025)	(2,437,200)	-	-	**(2,696,225)**
Book value on 31.12.2017	**423,136**	**4,020,089**	**12,806,739**	**-**	**17,249,964**
Additions	321,538	1,355,201	-	-	**1,676,739**
Acquisition cost of disposals	(40,102)	-	-	-	**(40,102)**
Depreciation	(281,027)	(947,852)	-	-	**(1,228,879)**
Book value on 31.12.2018	**423,545**	**4,427,438**	**12,559,697**	**-**	**17,657,722**

An impairment test is carried out in relation to intangible assets with limited life cycle when the events and conditions indicate that their non-amortized value may not be fully recoverable. If the non-amortized value of such intangible assets exceeds their recoverable value, the surplus refers to impairment loss which is recognized directly to profit or loss.

13.3 Goodwill

The goodwill of the Group on 31/12/2018 was reduced by €2,657,143 and was fixed at €51,705,844 compared to €54,362,987 on 31.12.2017.

13.3.1 Impairment test on intangible assets with indefinite useful life

On 31.12.2018 an impairment test was carried out on the recognized goodwill and, by extension, on the recognized intangible assets with indefinite useful life. Goodwill impairment test was carried out after allocating these assets to separate cash generating units. The recoverable amount of goodwill related to the separate cash generating units has been determined according to the value in use, which was calculated by using the discounted cash flow method.

Accordingly, the recoverable amount of the trademark with indefinite useful life (value in use) was determined based on the income that would arise from the rights of use (method: Income Approach via Relief from Royalty). To determine the value in use, Management uses assumptions they find reasonable, which are based on the best possible information available and in effect on the reporting date of the Financial Statements.

13.3.2 Assumptions used to determine the value in use

The recoverable amount of each CGU is specified in accordance with the calculation of the value in use. This amount is fixed through the present value of the estimated future cash flows, as expected to be generated from each CGU (method of discounted cash flows). This methodology used to determine the value in use is affected (is sensitive to) by the following basic assumptions, as adopted by Management to determine the future cash flows:

- **Preparation of 5-year business plans per CGU:**
  - Business plans are prepared based on a maximum period of 5 years. Cash flows beyond 5 years are deduced by using estimates of the growth rates reported below.
  - Business plans are based on recently prepared budgets and estimates.
  - Budgeted operating profit margins and EBITDA are used in business plans, as well as future estimates by using reasonable assumptions.

The calculations to determine the recoverable amount of CGUs were based on 5-year Management-approved business plans which have included the necessary revisions so as to reflect current economic circumstances and reflect past experience, provisions of sectoral studies and other available information from external sources.

- **Perpetuity growth rate:**

Cash flows beyond 5 years are deduced by using estimates of the perpetuity growth rates, as drawn from external sources. For the year ended on 31/12/2018, the perpetuity growth rate was reduced to 1.6% from 2.0% on 31/12/2017.

- **Weighted Average Cost of Capital (WACC):**

The WACC method reflects the discount rate of future cash flows of each CGU according to which the cost of equity and cost of long-term borrowing and any subsidies is weighted so as to calculate the cost of the company's total equity. The key parameters defining the WACC include:

- Risk-free return:

Given that all cash flows of business plans are denominated in Euro, the return of the 10-year Euro Swap Rate (EUS) was used as risk-free return. On the valuation date, the 10-year Euro Swap Rate amounted to 0.81%. 10-year Greek Treasury Bond was not used as risk-free return given that the markets ascribe considerable spread to this security.

- Country risk premium:

Estimates of independent sources were used to calculate the country risk premium. The risk for operating in Greece, as arising from the aforementioned country risk premium, has been included in each company's Cost of Equity.

- Equity risk premium:

Estimates of independent sources were used to calculate the equity risk premium. Beta sensitivity indexes are evaluated on an annual basis, according to reported market data.

In addition to the above estimates regarding the determination of the value in use of CGUs, Management is not aware of any changes in circumstances which could affect its other assumptions. Below are given the main assumptions adopted by Management for the calculation of future cash flows so as to test impairment of cash generating units:

Key assumptions of business plans	WACC		Perpetuity WACC		Perpetuity growth rate	
	2018	2017	2018	2017	2018	2017
	10.0%	8.1%	10.0%	8.1%	1.6%	2.0%

Sensitivity analysis of recoverable amounts

Currently, Management is not aware of any other event or circumstances that would logically give rise to likely changes to some of the key assumptions used to determine the recoverable amount of CGUs. Nevertheless, on 31/12/2018, the Group analyzed the sensitivity of recoverable amounts by CGU in relation to the change in any of the key assumptions presented in this note (by way of example, a change: (i) by 1% in EBITDA margin until 2023 and 0.5% in EBITDA margin in perpetuity; (ii) a 1% in discount rate until 2023 and 0.5% in discount rate in perpetuity; or (iii) 0.5% in perpetuity growth rate). The relevant analyses show that if the above changes occur, an impairment amount may arise for the Group in relation to goodwill, ranging from €2.9 million to €5.1 million maximum.

As regards the value in use of the trademark, which was determined based on the income that would arise from the royalties (method of Income Approach via Relief from Royalty) and accounts for the cost savings attained by the holder of the intangible asset in comparison with the provision of royalty, a percentage of 2.5% was used which reflects an average percentage applicable on an international scale to similar royalty agreements. The perpetuity growth rate stands at 1.6% while the interest rate used in the pre-tax cash flow discount stands at 10.0% for the first 5 years and to 10.0% on a perpetual basis.

As regards the impairment test of self-supplied products, which was determined based on the income that would arise from the royalties (method of Income Approach via Relief from Royalty) and accounts for the cost savings attained by the holder of the intangible asset in comparison with the provision of royalty, a percentage of 20% was used based on respective percentages used for patents in the Software sector. The perpetuity growth rate stands at 1.6% while the interest rate used in the pre-tax cash flow discount stands at 10.0% for the first 5 years and to 10.0% on a perpetual basis.

Management uses assumptions they find reasonable and are based on the best possible information available and in effect on the reporting date of the Financial Statements.

The test conducted did not result in any impairment of the Company' s trademark, self-supplied products and goodwill pursuant to the above.

13.4 Investments in subsidiaries

The investments in subsidiaries in the financial statements of the parent Company amounted to €1,300,865 on 31.12.2018 and to €71,301,366 on 31.12.2017. In detail:

Amounts in €				**2018**			
Corporate name of subsidiary	**Value of holding**	**% of direct holding**	**% of indirect holding**	**% of total holding**	**Country of establishment**	**Type of Holding**	**Consolidation method**
P.C.S. S.A.	632,169	50.50%	0.00%	50.50%	GREECE	DIRECT	FULL
METASOFT S.A.	-	68.80%	31.20%	100.00%	GREECE	DIRECT	FULL
GIT HOLDINGS S.A.	-	100.00%	0.00%	100.00%	GREECE	DIRECT	FULL
SYSTEM SOFT S.A.	65,463	66.00%	34.00%	100.00%	GREECE	DIRECT	FULL
SINGULARLOGIC ROMANIA SRL	60,953	100.00%	0.00%	100.00%	ROMANIA	DIRECT	FULL
SINGULARLOGIC BULGARIA EOOD	36,010	100.00%	0.00%	100.00%	BULGARIA	DIRECT	FULL
SINGULARLOGIC CYPRUS LTD	-	98.80%	0.00%	98.80%	CYPRUS	DIRECT	FULL
SENSE ONE TECHNOLOGIES S.A.	501,270	50.99%	0.00%	50.99%	GREECE	DIRECT	FULL
SINGULARLOGIC B.V.	5,000	100.00%	0.00%	100.00%	THE NETHERLANDS	DIRECT	FULL
Total value of holding	**1,300,865**						

Amounts in €				**2017**			
Corporate name of subsidiary	**Value of holding**	**% of direct holding**	**% of indirect holding**	**% of total holding**	**Country of establishment**	**Type of Holding**	**Consolidation method**
P.C.S. S.A.	632,169	50.50%	0.00%	50.50%	GREECE	DIRECT	FULL
METASOFT S.A.	5,501	68.80%	31.20%	100.00%	GREECE	DIRECT	FULL
GIT HOLDINGS S.A.	-	100.00%	0.00%	100.00%	GREECE	DIRECT	FULL
SYSTEM SOFT S.A.	65,463	66.00%	34.00%	100.00%	GREECE	DIRECT	FULL
SINGULARLOGIC ROMANIA SRL	60,953	100.00%	0.00%	100.00%	ROMANIA	DIRECT	FULL
SINGULARLOGIC BULGARIA EOOD	36,010	100.00%	0.00%	100.00%	BULGARIA	DIRECT	FULL

SINGULARLOGIC CYPRUS LTD	-	98.80%	0.00%	98.80%	CYPRUS	DIRECT	FULL
SENSE ONE TECHNOLOGIES S.A.	501,270	50.99%	0.00%	50.99%	GREECE	DIRECT	FULL
Total value of holding	**1,301,366**						

SUBSIDIARIES WITH SIGNIFICANT HOLDING

Disclosures pursuant to IFRS 12 are as follows:

Corporate name of subsidiary	Proportion of ownership and voting rights arising from non-controlling interests		Profits allocated to non-controlling interests		Accumulated non-controlling interests	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017	31/12/2018	31/12/2017
PCS S.A.	49.5%	49.5%	29,312	21,610	242,243	224,420
SENSE ONE TECHNOLOGIES S.A.	49.01%	49.01%	(93,612)	(160,305)	11,801	103,093

Concise financial figures regarding the subsidiary "PCS S.A." before crossing out intra-company transactions and balances

Amounts in €	31/12/2018	31/12/2017
Non-current assets	120,779	74,887
Current assets	1,024,435	980,494
Total assets	**1,145,214**	**1,055,380**
Long-term liabilities	130,573	110,738
Short-term liabilities	525,262	491,269
Total liabilities	**655,835**	**602,007**
Equity attributed to parent company owners	247,137	228,953
Non-controlling interests	242,243	224,420

Amounts in €	31/12/2018	31/12/2017
Sales	2,401,782	2,298,252
Post-tax period profit allocated to parent company owners	29,904	22,046
Post-tax period profit allocated to non-controlling interests	29,312	21,610
Period profit after taxes	**59,216**	**43,656**
Other comprehensive income for the period net of tax	(6,209)	4,183
Period comprehensive total income after taxes allocated to parent company owners	26,768	24,159
Period comprehensive total income after taxes allocated to non-controlling interests	26,238	23,680
Comprehensive total income for the period net of tax	**53,007**	**47,839**

Amounts in €	31/12/2018	31/12/2017
Net cash flows from operating activities	33,201	(391,086)

Net cash flow from investing activities	(69,085)	(12,619)
Net cash flow from financing activities	(21,309)	(10,020)
Total net cash flows	**(57,193)**	**(413,726)**

Concise financial figures regarding the subsidiary "SENSE ONE TECHNOLOGIES S.A." before crossing out intra-company transactions and balances

Amounts in €	**31/12/2018**	**31/12/2017**
Non-current assets	789,424	796,218
Current assets	377,857	314,701
Total assets	**1,167,281**	**1,110,919**
Long-term liabilities	11,178	273,731
Short-term liabilities	1,132,025	626,837
Total liabilities	**1,143,202**	**900,568**
Equity attributed to parent company owners	12,278	107,258
Non-controlling interests	11,801	103,093

Amounts in €	**31/12/2018**	**31/12/2017**
Sales	626,617	601,825
Post-tax period profit allocated to parent company owners	(97,394)	(166,781)
Post-tax period profit allocated to non-controlling interests	(93,612)	(160,305)
Period profit after taxes	**(191,007)**	**(327,086)**
Other comprehensive income for the period net of tax	4,734	2,791
Period comprehensive total income after taxes allocated to parent company owners	(94,980)	(165,358)
Period comprehensive total income after taxes allocated to non-controlling interests	91,292	(158,937)
Comprehensive total income for the period net of tax	**(186,273)**	**(324,296)**

Amounts in €	**31/12/2018**	**31/12/2017**
Net cash flows from operating activities	(55,210)	63,077
Net cash flow from investing activities	(154,124)	(231,554)
Net cash flow from financing activities	190,000	90,000
Total net cash flows	**(19,333)**	**(78,477)**

13.5 Investments in associates

		THE GROUP		**THE COMPANY**	
(amounts in €)	**Note**	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**
Balance at beginning of period		**-**	**235,857**	**-**	**-**
Share of (losses) / profit		-	-	-	-

	THE GROUP		THE COMPANY	
Sale of associate company	-	(235,857)	-	-
Balance at end of period	-	-	-	-

On 31 December 2018, the investments in the Group's affiliated entities are as follows:

Company name	Country of establishment	% Holding	Acquisition Cost	Accumulated Impairment	Value of Sale	Balance
INFOSUPPORT S.A.	Greece	34.00%	200,001	(200,001)		0
LOGODATA S.A.	Greece	23.88%	49,981	(49,981)		0
INFO S.A.	Greece	35.00%	350,000	(350,000)		0
Total			**599,982**	**(599,982)**		**0**

Holdings in Infosupport, Logodata & INFO have been fully impaired in the financial statements of both Company and Group.

13.6 Other non-current assets

On 31 December 2018, other non-current assets of the Group and the Company are broken down as follows:

	THE GROUP		THE COMPANY	
(amounts in €)	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**
Guarantees granted	190,254	215,514	178,899	203,601
Other	92,525	-	-	130,000
Total other non-current assets	**282.779**	**215,514**	**178,899**	**333,601**

13.7 Other current assets

Financial assets include shares of unlisted companies operating in Greece with a long-term investment horizon and on 31.12.2018 and 31.12.2017 amount to €59,932.

13.8 Inventories

On 31.12.2018 the inventories for the Group and the Company are broken down as follows:

	THE GROUP		THE COMPANY	
(amounts in €)	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**
Merchandise	1,469,057	1,351,696	1,411,609	1,295,426
Consumables	140,450	213,560	140,450	213,560
Finished goods	1,326	1,326	1,326	1,326
Total	**1.610.833**	**1,566,582**	**1.553.384**	**1,510,312**
Less: Provisions for merchandise	(1,002,790)	(1,002,790)	(1,002,790)	(1,002,790)
Total net realizable value	**608,043**	**563,793**	**550,594**	**507,522**

The amount of inventories recognized as an expense during the year and included in the Company's cost of goods sold is equal to €3,649,971 and €4,887,465 for the Company and the Group respectively. The Group has not pledged any inventories.

The provisions for inventories impairment did not change during the year.

13.9 Customers and other trade receivables

On 31.12.2018, the receivables are broken down as follows:

THE GROUP	THE COMPANY

(amounts in €)	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Trade receivables from third parties	42,993,205	44,205,390	39,942,567	41,463,480
Trade receivables from related parties	2,255,954	1,258,230	4,772,872	3,413,897
Bills receivable	262,704	262,737	234,135	234,135
Checks receivable	7,330,236	7,870,352	7,483,129	8,033,932
Less: Provisions for impairment	(38,796,785)	(38,825,888)	(38,104,198)	(37,749,105)
Net trade Receivables	**14,045,315**	**14,770,821**	**14,328,506**	**15,396,340**
Down payments to suppliers	324,298	324,298	324,298	324,298
Total	**14,369,613**	**15,095,120**	**14,652,804**	**15,720,638**

The provisions for the Group's and the Company's doubtful trade receivables during the years ended on 31/12/2018 and 31/12/2017 are as follows:

	THE GROUP		THE COMPANY	
(amounts in €)	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Opening balance	**38,825,888**	**39,927,996**	**37,749,105**	**38,760,334**
Effect of IFRS 9	442,862	-	415,988	-
Adjusted balance	**39,268,749**	**39,927,996**	**38,165,093**	**38,760,334**
Provisions for period	415,654	1,091,481	790,812	1,071,806
Collection of bad debts	(468,196)	(1,222,829)	(432,285)	(1,200,057)
Deletions	(419,422)	(970,760)	(419,422)	(882,978)
Closing balance	**38,796,785**	**38,825,888**	**38,104,198**	**37,749,105**

The provisions raised during 2018 concerned mainly customers' balances for which Management, according to the effective accounting principles of the Group, believes that there are data or indications showing that the collection of the said receivables in total or partially is not probable.

The maturity of overdue and non-impaired trade receivables is presented in note 14.4.

13.10 Other receivables

On 31 December 2018, other receivables for the Group and the Company are broken down as follows:

	THE GROUP		THE COMPANY	
(amounts in €)	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Sundry debtors	597,180	618,264	577,185	517,626
Receivables from the Greek State	324,682	254,482	266,031	171,053
Other receivables	181,795	189,614	676	5,691
Receivables from affiliates	158,163	157,499	701,776	505,145
Loans to affiliated parties	-	-	130,000	-
Receivables assigned to a factoring company	515,528	197,064	515,528	197,064
Advances to staff	29,811	32,288	25,766	30,692
Guarantees	256,746	249,179	256,746	249,179
Less: provisions for bad debts	(371,585)	(367,654)	(353,805)	(349,874)
Net debtor receivables	**1,692,320**	**1,330,736**	**2.119.902**	**1,326,576**

The amount of guarantees refers to commitments in favor of third parties and letters of guarantee.

The provisions for the year are broken down as follows:

(amounts in €)	THE GROUP 31/12/2018	THE GROUP 31/12/2017	THE COMPANY 31/12/2018	THE COMPANY 31/12/2017
Opening balance	**(367,654)**	**(245,283)**	**(349,874)**	**(227,503)**
Provisions for period	(24,931)	(122,371)	(24,931)	(122,371)
Deletions	21,000	-	21,000	-
Closing balance	**(371,585)**	**(367,654)**	**(353,805)**	**(349,874)**

13.11 Other current assets

On 31 December 2018, other current assets of the Group and the Company are broken down as follows:

(amounts in €)	Note	THE GROUP 31/12/2018	THE GROUP 31/12/2017	THE COMPANY 31/12/2018	THE COMPANY 31/12/2017
Prepaid expenses		853,283	1,161,783	787,532	1,084,805
Receivables from works contracts	13.14	830,241	310,915	830,241	310,915
Receivables from program subsidies		3,165	34,429	3,165	3,165
Other receivable income		431,456	27,821	421,848	26,477
Current income receivable from advance purchases		14,784	-	14,784	-
Prior period income		-	11,790	-	11,790
		2.132.929	**1.546.737**	**2.057.569**	**1.437.152**

The "Other current assets" account mainly includes prepaid expenses, receivables from subsidized programs as well as receivables from works contracts.

The details on works contracts are set out in paragraph 13.14 "Works Contracts" below.

13.12 Deferred tax assets and liabilities

Deferred income tax is based on the temporary differences arising between the book value and the tax base of the assets and liabilities, and is calculated using the income tax rate expected to apply in the years in which temporary taxable and deductible differences are expected to be reversed.

A deferred tax asset is recognized for tax losses carried forward to the extent that it is probable that a relevant tax benefit will be realized through future taxable profits. On 31.12.2018 the Group has not recognized any deferred asset for the deferred tax losses.

The deferred tax assets/liabilities which arise from the interim tax adjustments are presented below:

	THE GROUP				THE COMPANY			
	31/12/2018		31/12/2017		31/12/2018		31/12/2017	
	Asset	Liability	Asset	Liability	Asset	Liability	Asset	Liability
Non-current assets								
Intangible assets	5,422	(847,219)	-	(993,186)	-	(832,765)	-	(982,041)
Tangible assets	1,938	(1,901)	2,488	(1,873)	-	(1,901)	-	(1,873)
Current assets								
Other current assets	-	3,063,708	-	2,867,481	-	3,059,725	-	2,863,299
Reserves								
Subsidies to investments	-	-	-	-	-	-	-	-
Long-term liabilities								
Staff termination liabilities	455,493	-	507,156	-	411,977	-	462,508	-
Corporate Bond	-	-	-	7,041	-	-	-	7,041
Short-term liabilities								
Other liabilities	1,068,995	-	1,335,981	-	1,049,744	-	1,332,558	-
Total	**1,531,848**	**2,214,588**	**1,845,625**	**1,879,464**	**1,461,721**	**2,225,059**	**1,795,066**	**1,886,426**

13.13 Financial assets measured at fair value through profit or loss

On 31 December 2018, financial assets at fair value through profit or loss of the Group and the Company are broken down as follows:

(amounts in €)	THE GROUP 31/12/2018	THE GROUP 31/12/2017	THE COMPANY 31/12/2018	THE COMPANY 31/12/2017
Balance at beginning of period	**-**	**1,987,928**	**-**	**1,987,928**
Sales (-)		(1,987,928)	-	(1,987,928)
End of period	**-**	**-**	**-**	**-**

13.14 Works Contracts

The items regarding works contracts are broken down as follows:

	THE GROUP		THE COMPANY	
(amounts in €)	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**
Project expenses incurred	2,025,736	830,645	2,025,736	830,645
Plus/(less): Recognized profits/ (losses)	36,754	15,728	36,754	15,728
Total amount recognized based on percentage of completion	**2,062,489**	**846,373**	**2,062,489**	**846,373**
Remaining/(surplus) recognized amount to be invoiced	**545,677**	**(50,710)**	**545,677**	**(50,710)**
Receivable from customers for contractual work	830,241	310,915	830,241	310,915
Payable to customers for contractual work	(172,026)	(175,384)	(172,026)	(175,384)
Total non-invoiced work	**658,215**	**135,531**	**658,215**	**135,531**
Advances	-	-	-	-
Non-executed remainder	**497,915**	**994,514**	**497,915**	**994,514**

On 31.12.2018 the amount of liability from works contracts is included in "Other short-term liabilities" in the Statement of Financial Position and receivables are included in "Other current assets" while no amounts have been collected as advances. Group Management assesses the profitability of works in progress on a monthly basis using detailed monitoring processes. The book values analyzed above reflect the reasonable Management assessment about the result of each works contract and the percentage of completion on the date of the Statement of Financial Position.

13.15 Cash and cash equivalents

The Group's and Company's cash and cash equivalents are analyzed as follows:

	THE GROUP		THE COMPANY	
Amounts in €	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**
Cash in hand	5,044	10,069	1,910	5,073
Cash in bank	1,695,349	1,749,515	510,794	475,296
Short-term deposits	-	-	-	-
Blocked Deposits	5,073	24,417	5,073	24,417
Total cash and cash equivalents	**1,705,465**	**1.784.000**	**517,776**	**504.786**

13.16 Equity

13.16.1 Share Capital

(amounts in €)	Number of shares	Nominal value	Ordinary shares	Premium on capital stock	Total
31 Dec 2016	**20,643,215**	**1.00**	**20,643,215**	**70,547,001**	**91,190,216**
31 Dec 2016	**20,643,215**	**1.00**	**20,643,215**	**70,547,001**	**91,190,216**
Capitalization of share premium		2.76	56,975,273	(56,975,273)	**0**
	20,643,215	**3.76**	**77,618,488**	**13,571,728**	**91,190,216**
Share capital decrease	-	(2.76)	(56,975,273)	-	**(56,975,273)**
	(19,743,215)	1.00	(19,743,215)	-	**(19,743,215)**
31 Dec 2016	**900,000**	**1.00**	**900,000**	**13,571,728**	**14,471,728**

By the decision of 26 July of the shareholders Extraordinary General Meeting, the share capital was increased by €56,975,273.40 by capitalizing a part of the Share Premium Account and increasing the nominal value of each share by €2.76, namely from €1 it rose to €3.76 each, thus amounting to €77,618,,488.40, divided into 20,643,215 registered shares with a nominal value of €3.76 each. By the same decision of of 26 July of the shareholders Extraordinary General Meeting, the share capital was reduced by €76,718,488.40 through loss offsetting. Such reduction was carried out as follows:

(i) by €56,975,273.40 through reduction of the nominal value of each share by €2.76, namely from €3.76 each it dropped to €1 each; and
(ii) by the amount of €19,743,215 by canceling 19,743,215 registered shares with a nominal value of €1 each.

Following the foregoing, the Company's share capital amounted to €900,000 divided into 900,000 registered shares with a nominal value of €1 each.

13.16.2 Reserves

Group and Company other reserves are broken down as follows:

	THE GROUP		
(amounts in €)	**Statutory Reserve**	**Other reserves**	**Total**
31 Dec 2016	**104,326**	**(22,187)**	**82,139**
FX differences from conversion of foreign subsidiaries' financial statements	-	(3,386)	**(3,386)**
31 Dec 2016	**104,326**	**(25,572)**	**78,754**
31 Dec 2016	**104,326**	**(25,572)**	**78,754**
FX differences from conversion of foreign subsidiaries' financial statements	-	212	**212**
31 Dec 2016	**104,326**	**(25,360)**	**78,966**

	THE COMPANY		
(amounts in €)	**Statutory Reserve**	**Other reserves**	**Total**
31 Dec 2016	**73,296**	**-**	**73,296**
31 Dec 2017	**73,296**	**-**	**73,296**
31 Dec 2018	**73,296**	**-**	**73,296**

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13.17 Employee benefit liabilities

The amounts posted in the Income Statement and those recognized in the Statement of Financial Position are broken down as follows:

Post-employment benefit obligations

Amounts in €

	GROUP		COMPANY	
	31/12/2018	**31/12/2017**	**31/12/2018**	**31/12/2017**
	Defined benefit plans (non-funded)	**Defined benefit plans (non-funded)**	**Defined benefit plans (non-funded)**	**Defined benefit plans (non-funded)**
Defined benefit liability	1,821,972	1,748,816	1,647,906	1,594,856
	1,821,972	**1,748,816**	**1,647,906**	**1,594,856**
Classified as:				
Long-term liability	1,821,972	1,748,816	**1,647,906**	1,594,856

The changes in present value of liability for defined benefit plans are as follows:

	31/12/2018	**31/12/2017**	**31/12/2018**	**31/12/2017**
	Defined benefit plans (non-funded)	**Defined benefit plans (non-funded)**	**Defined benefit plans (non-funded)**	**Defined benefit plans (non-funded)**
Defined benefit liability on 1 January	**1,748,815**	**1,867,258**	**1,594,856**	**1,715,214**
Current cost of employment	169,567	201,364	151,713	184,487
Interest charges	31,479	35,478	28,642	32,658
Actuarial losses/(gains) on liability	(41,901)	(80,158)	(55,112)	(69,016)
Personnel transfer cost	-	-	(3,624)	3,616
Benefits paid	(618,572)	(1,497,516)	(524,138)	(1,474,235)
Past service cost	532,584	1,222,389	455,570	1,202,132
Defined benefit liability on 31 December	**1,821,972**	**1,748,816**	**1,647,906**	**1,594,856**

The major actuarial assumptions used in valuation are as follows:

	31/12/2018	**31/12/2017**
Discount rate on 31 December	1.70%	1.80%
Future salary increases	2.00%	2.00%
Inflation	1.50%	1.50%

The amounts recognized in the Income Statement are:

	31/12/2018	**31/12/2017**	**31/12/2018**	**31/12/2017**
	Defined benefit plans (non-funded)	**Defined benefit plans (non-funded)**	**Defined benefit plans (non-funded)**	**Defined benefit plans (non-funded)**
Service cost	169,567	201,364	151,713	184,487
Past service cost	532,584	1,222,389	455,570	1,202,132
Net interest on benefit liability	31,479	35,478	28,642	32,658
Total expenses recognized in the Income Statement	**733,629**	**1,459,230**	**635,925**	**1,419,276**

The amounts recognized in other comprehensive Income in the Statement of Other Comprehensive Income are:

	31/12/2018	**31/12/2017**	**31/12/2018**	**31/12/2017**
	Defined benefit plans (non-funded)	**Defined benefit plans (Funded)**	**Defined benefit plans (non-funded)**	**Defined benefit plans (non-funded)**
Actuarial gains/(losses) from changes in financial assumptions	(28,412)	24,347	(25,157)	22,009
Reassessment – actuarial losses/ (gains) from changes in experience	70,313	55,810	80,269	47,007
Total income /(expenses) recognized in other comprehensive income	**41,901**	**80,158**	**55,112**	**69,016**

The effect of changes in significant actuarial assumptions is:

	31/12/2018		**31/12/2017**	
	Discount rate		**Discount rate**	
	0.5%	**-0.5%**	**0.5%**	**-0.5%**
Increase/ (decrease) in defined benefit liability	(136,622)	150,861	(118,402)	129,562

	Future salary increases		Future salary increases	
	0.5%	-0.5%	0.5%	-0.5%
Increase/ (decrease) in defined benefit liability	149,624	(136,878)	127,351	(117,614)

13.18 Other long-term liabilities

	THE GROUP		COMPANY	
(amounts in €)	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Other long-term liabilities	197,602	-	-	-
Total	**197,602**	**-**	-	-

13.19 Borrowings

On 31.12.2018, the Group's and the Company's borrowings are broken down as follows:

	THE GROUP		COMPANY	
(amounts in €)	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Long-term borrowing				
Bond loans	-	130,000	-	-
Liabilities under finance lease	5,850	8,235	-	-
Total long-term loans	**5,850**	**138.235**	**-**	**-**
Short-term loans				
Bank loans	5,060,888	3,590,787	3,836,268	2,360,268
Bank loans through factoring	959,906	320,450	959,906	320,450
Bonds payable in next year	51,443,996	52,789,716	51,313,996	52,789,716
Loans to affiliated parties	5,250,000	1,500,000	5,305,000	1,555,000
Liabilities under finance lease	2,493	2,493	-	-
Total short-term loans	**62.717.283**	**58,203,445**	**61.415.170**	**57.025.433**
Total loans	**62,723,134**	**58,341,680**	**61,415,170**	**57,025,433**

On 31/12/2018 the Group's loans amount to €62,723 thousand, out of which an amount of €62,717 concerns short-term loan liabilities. Likewise, the Company's loans amount to €61,415 thousand and concern in total short-term loan liabilities. Short-term loan liabilities of the Group and the Company include bond loans amounting to €51,314 thousand for which not all covenants that govern the respective bank liabilities are met on 31/01/2018 while their contractual termination which had been set to 31/01/2018 was extended until 31/01/2020.

Due to contractual termination of the full amount of €51,314 thousand on 31/01/2018, the Company took into account the discussions held until then for loan restructuring and sent requests for approval regarding the extension of loans' termination. Further these requests, the Company received the relevant letters of consent on 02/04/2018 and 18/04/2018 with retroactive effect from 31/01/2018 while on 07/08/2018 and 08/08/2018 received anew a letter of consent to the extension of bond loans until 31/10/2018, with retroactive effect from 31/05/2018 and of the interest-bearing period until 31/10/2018, namely 31/01/2018-31/10/2018.

On 23/01/2019 and 30/01/2019 the Company obtained consent to the extension of bond loans until 31/01/2020 with retroactive effect from 31/10/2018. Moreover, the Company was granted approval of extension of the interest-bearing period from 31/01/2018-31/10/2018 to 31/01/2018-29/03/2019 at an interest rate of 3,5%. On 29/03/2019 the Company was granted again extension of the interest-bearing period until 28/06/2019, namely from 31/01/2018 to 28/06/2019 at an interest rate of 3.5%.

Further to the above changes, the Company is at the stage of signing an amending contract of bond loans with the creditor banks.

Further, it was agreed that the Company will pay installments of the capital of the aforementioned syndicated bond loans amounting to €1.00 million on 30/06/2019.

To secure its corporate bonds, pledges have been raised on all shares of SINGULARLOGIC and on its trademarks and trade receivables according to criteria specified in the loan agreements. Moreover, the Company has raised a pledge on all shares issued by its subsidiaries which will also apply to the dividends of such shares.

SingularLogic's Management is in discussions with the creditor banks in order to achieve the restructuring of the said loans.

Within the fiscal year, the Company received a loan from the parent Company amounting to €3,750 thousand. Total loan from the parent company amounts to €5.250 thousand.

The maturity dates of all loans are as follows:

	THE GROUP		THE COMPANY	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Up to 1 year	62,717,283	58,203,445	61,415,170	57,025,433
Between 1 and 2 years	2,493	2,493	-	-
Between 2 and 3 years	3,357	135,742	-	-
	62.723.134	**58.341.680**	**61,415,170**	**57,025,433**

The Group's liability under finance leases is broken down as follows:

	31/12/2018		31/12/2017	
	Future minimum lease payments	**Present value of future minimum lease payments**	**Future minimum lease payments**	**Present value of future minimum lease payments**
Up to 1 year	2,809	2,493	2,809	2,493
Between 1 and 5 years	6,767	5,850	9,152	8,235
Total minimum future payments	**9,576**	**8,343**	**11,961**	**10,728**
Less: Interest expenses	(1,232)	-	(1,232)	-
Total present value of future minimum lease payments	**8,343**	**8,343**	**10,728**	**10,728**

The effective average borrowing rates on the date of the Statement of Financial Position are as follows:

	THE GROUP		THE COMPANY	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Bank loans (short-term)	3.79%	5.53%	3.77%	5.53%
Bank loans (long-term)	-	5.75%	-	-

13.20 Provisions

On 31 December 2018, the provisions and account transactions during the year are broken down as follows:

	THE GROUP			
(amounts in €)	**Tax liabilities**	**Other Provisions**	**Provision for affairs sub judice**	**Total**
31 Dec 2016	**383,437**	**29,500**	**412,685**	**825,623**
Additional provisions	-	140,782	-	**140,782**
Used provisions	-	(64,118)	(44,000)	**(108,118)**
31 Dec 2017	**383,437**	**106,165**	**368,685**	**858,287**

Additional provisions	-	458,085	-	**458,085**
Used provisions	-	(391,526)	-	**(391,526)**
31 Dec 2018	**383,437**	**172,724**	**368,685**	**924,847**

	Long-term provisions	Short-term Provisions	Total
31 Dec 2017	**-**	**858,287**	**858,287**
31 Dec 2018	**-**	**924,847**	**924,847**

	THE COMPANY			
(amounts in €)	**Tax liabilities**	**Other Provisions**	**Provision for affairs sub judice**	**Total**
31 Dec 2016	**379,151**	**29,500**	**412,685**	**821,337**
Additional provisions	-	140,782	-	**140,782**
Used provisions	-	(64,118)	(44,000)	**(108,118)**
31 Dec 2017	**379,151**	**106,165**	**368,685**	**854,002**
Additional provisions	-	458,085	-	**458,085**
Used provisions	-	(391,526)	-	**(391,526)**
31 Dec 2018	**379,151**	**172,724**	**368,685**	**920,561**

	Long-term provisions	Short-term Provisions	Total
31 Dec 2017	**-**	**854,002**	**854,002**
31 Dec 2018	**-**	**920,561**	**920,561**

13.21 Trade and other payables

The Group's and the Company's supplier and other liability balances are broken down as follows:

	THE GROUP		THE COMPANY	
(amounts in €)	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**
Suppliers	7,975,723	7,880,639	7,515,175	7,565,357
Checks payable	43,525	36,000	43,525	-
Customer down-payments	3,000	48,000	-	-
Other liabilities	3,172	-	-	-
Total	**8.025.420**	**7.964.639**	**7.558.700**	**7.565.357**

13.22 Current tax liabilities

On 31.12.2018, the Group's and the Company's liabilities for income tax are broken down as follows:

	THE GROUP		THE COMPANY	
(amounts in €)	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**
Income Tax	46,649	26,832	-	-
Total	**46,649**	**26,832**	-	-

13.23 Other short-term liabilities

On 31.12.2018, the Group's and the Company's other short-term liabilities are broken down as follows:

(amounts in €)	THE GROUP 31/12/2018	THE GROUP 31/12/2017	THE COMPANY 31/12/2018	THE COMPANY 31/12/2017
Interest accrued	1,844,120	930,383	1,814,157	919,595
Insurance organizations	1,239,226	1,409,113	1,125,466	1,296,795
Dividends payable	77,993	82,608	-	-
Salaries and wages payable	222,286	434,596	219,999	426,467
Unearned and deferred income	6,837,878	6,223,271	6,212,278	5,834,590
Accrued expenses	1,293,209	1,430,057	1,266,733	1,390,948
Other liabilities	1,620,199	2,144,959	1,456,462	1,985,818
Other tax liabilities	2,072,156	1,731,317	1,899,158	1,579,468
Total	**15.207.065**	**14.386.303**	**13.994.253**	**13.433.681**

Other short-term liabilities refer, by the largest part, to subcontractors costs and other accrued expenses for the Group's projects and also to income carried forward to other years from maintenance services the Group allocates according to their progress in time and the period concerned by the said contracts.

13.24 Cost of goods sold – Administrative expenses – Selling expenses

The cost of goods sold, the administrative and selling expenses of the Group and the Company are broken down as follows:

	THE GROUP							
	1/1 - 31/12/2018				1/1 - 31/12/2017			
(amounts in €)	Cost of Goods Sold	Administrative expenses	Selling expenses	Total	Cost of Goods Sold	Administrative expenses	Selling expenses	Total
Remuneration, pension and other benefits to employees	14,386,525	3,771,494	4,834,324	**22,992,343**	15,051,762	3,928,927	6,296,079	**25,276,769**
Cost of inventories recognized as an expense	4,887,465	229	-	**4,887,695**	4,128,789	-	5,762	**4,134,550**
Third party fees and expenses	5,855,407	1,516,964	1,028,614	**8,400,985**	4,140,281	1,772,309	1,506,031	**7,418,621**
Charges for outside services and utilities	691,705	112,415	103,840	**907,960**	811,346	185,038	165,884	**1,162,269**
Repairs and maintenance	2,565,936	9,262	19,988	**2,595,186**	2,917,001	19,540	17,551	**2,954,092**
Operating leases and rents	786,258	212,409	358,061	**1,356,729**	804,355	237,335	463,945	**1,505,635**
Taxes and duties	113,410	27,118	34,575	**175,104**	65,524	53,403	38,992	**157,919**
Advertising	12,503	101,595	97,550	**211,647**	10,837	34,760	207,104	**252,701**
Other expenses	734,164	335,669	349,536	**1,419,370**	713,798	269,968	503,527	**1,487,292**
Depreciation of fixed assets	1,573,354	172,216	94,302	**1,839,872**	2,924,755	408,288	115,874	**3,448,917**
Total	**31.606.728**	**6.259.372**	**6.920.790**	**44.786.890**	**31.568.448**	**6.909.568**	**9.320.748**	**47.798.764**

	THE COMPANY							
	1/1 - 31/12/2018				1/1 - 31/12/2017			
(amounts in €)	Cost of Goods Sold	Administrative expenses	Selling expenses	Total	Cost of Goods Sold	Administrative expenses	Selling expenses	Total
Remuneration, pension and other benefits to employees	12,690,809	3,377,475	3,902,106	**19.970.389**	13,418,989	3,471,707	5,387,674	**22,278,370**
Cost of inventories recognized as an expense	3,649,971	-	-	**3,649,971**	3,118,475	-	-	**3,118,475**
Third party fees and expenses	6,486,817	1,006,255	932,793	**8.425.865**	4,710,112	1,345,078	1,328,584	**7,383,774**
Charges for outside services and utilities	654,017	82,449	86,428	**822.895**	791,601	140,114	144,449	**1,076,164**
Repairs and maintenance	2,565,505	9,133	19,816	**2.594.454**	2,915,889	18,636	17,042	**2,951,567**
Operating leases and rents	736,050	149,875	329,138	**1.215.063**	768,321	149,035	439,691	**1,357,047**
Taxes and duties	105,697	19,052	29,108	**153.856**	59,542	16,671	34,187	**110,400**

Advertising	9,820	95,169	85,246	**190.235**	10,837	32,142	182,785	**225,765**
Other expenses	684,512	165,886	290,942	**1.141.341**	538,529	175,394	403,284	**1,117,206**
Depreciation of fixed assets	1,430,520	123,542	80,776	**1.634.838**	2,711,723	370,842	103,127	**3,185,692**
Total	**29.013.718**	**5.028.835**	**5.756.353**	**39.798.906**	**29.044.018**	**5.719.620**	**8.040.822**	**42.804.460**

13.25 Other operating income/expenses

(amounts in €)		THE GROUP		THE COMPANY	
		31/12/2018	31/12/2017	31/12/2018	31/12/2017
Miscellaneous operating income	**Note**				
Income from subsidies		3,076,763	2,159,718	2,735,106	1,734,012
Income from rents		2,641	325	31,456	62,281
Other		503,045	414,967	601,235	472,935
Income from used provisions	13.9 & 13.20	859,485	1,286,946	823,811	1,264,175
Reversal of provisions		-	34,374	-	-
Gains on sale of fixed assets		65	202	65	202
Total		**4.442.000**	**3.896.532**	**4,191,674**	**3.533.604**

Miscellaneous operating costs					
Other fines & surcharges		(50,491)	(62,368)	(49,161)	(56,910)
Provision for bad debts	13.9 & 13.20	(898,669)	(1,354,633)	(1,273,828)	(1,334,959)
Loss from sale/ destruction of fixed assets/merchandise		(102,978)	(248,319)	(88,621)	(248,319)
Other		(378,689)	(173,219)	(171,059)	(120,938)
Total		**(1,430,827)**	**(1,838,539)**	**(1,582,669)**	**(1,761,127)**

In 2018, the Company raised new provisions for bad debts, other receivables and for project-related losses equal to €1,273,828 while the new provisions amounted to €898,669 for the Group. The provisions for bad debts were reduced by €859,485 for the Group and by €823,811 for the Company, due to the collection of bad debts of €467,959 for the Group and €432,285 for the Company and also due to a reversal of €391,526 of loss from works, owing to their completion.

13.26 Financial income / expenses

		THE GROUP		THE COMPANY	
(amounts in €)	**Note**	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**
Interest income:					
- Banks		5,177	4,758	1,010	568
- Customers		1,586	196,660	1,586	196,660
- Loans granted		238	543	15,629	10,214
		7,002	**201.962**	**18,225**	**207.442**
Interest charges:					
- Discount of staff termination liabilities	13.17	(31,479)	(35,478)	(28,642)	(32,658)
- Short-term bank loans		(419,520)	(268,686)	(356,502)	(204,787)
- Bank loans (bonds)		(1,946,288)	(3,058,833)	(1,938,710)	(3,048,929)
- Guarantee letter commissions		(304,234)	(215,396)	(303,985)	(214,774)
Factoring		(165,827)	(94,494)	(165,827)	(94,494)
- Financial leases		(363)	(399)	-	-
- Other bank expenses		(538,863)	(67,277)	(534,250)	(61,957)
		(3,406,574)	**(3,740,563)**	**(3,327,916)**	**(3,657,599)**

Financial expenses comprise, by the largest part, interest income from loans assumed while financial income mainly includes income from loans granted and interest income from customers.

13.27 Other financial results

(amounts in €)	THE GROUP 31/12/2018	THE GROUP 31/12/2017	THE COMPANY 31/12/2018	THE COMPANY 31/12/2017
Profits/(losses) from the sale of financial assets through profit or loss	-	(749)	-	(749)
Impairment provisions for loans and other investments	(2,657,144)	(2,660,159)	-	(2,660,159)
Dividend income	-	-	8,585	5,050
Foreign exchange gains/(losses)	(4,071)	(32,412)	(12,663)	(3,251)
Other financial results	-	(123)	(5,502)	-
Financial cost of receivables discount	(9,666)	-	-	-
Total	**(2,670,881)**	**(2,693,443)**	**(9,580)**	**(2,659,109)**

During the current year, Other Financial Results include a provision for impairment of part of the Group's goodwill by €2,657,144. Other Financial Results in 2017 include a provision for impairment of the Group's and the Company's intangible assets equal to €2,660,159.

13.28 Income Tax

The amount of tax recognized in the income statement for the period is established as follows:

(amounts in €)	THE GROUP 31/12/2018	THE GROUP 31/12/2017	THE COMPANY 31/12/2018	THE COMPANY 31/12/2017
Tax for the period	(47,152)	(26,119)	-	-
Self-employed and liberal professions contribution	-	-	-	-
Deferred tax	(838,162)	661,019	(813,750)	638,066
Tax audit adjustments	-	25,616	-	-
Other taxes	(11,899)	-	-	-
Total	**(897,212)**	**660,516**	**(813,750)**	**638,066**

Tax on Group's and Company's earnings before tax differs from the theoretical amount which would arise if the average weighted tax rate was used, as follows:

(amounts in €)	THE GROUP 31/12/2018	THE GROUP 31/12/2017	THE COMPANY 31/12/2018	THE COMPANY 31/12/2017
Earnings before tax	**(6,339,330)**	**(14,428,643)**	**(3,393,843)**	**(13,575,641)**
Tax rate	29%	29%	29%	29%
Expected tax expense at the enacted tax rate	**(1,838,406)**	**(4,184,307)**	**(984,214)**	**(3,936,936)**
Non-taxable income	-	-	-	-
Offsetting due to prior-period accumulated losses	-	-	-	-
Losses for which deferred tax asset was not recognized	2,599,677	3,314,045	1,699,011	3,064,972
Dividends or earnings from holdings:	-	-	(2,490)	(1,465)
Adjustment for tax-exempt income:				
Adjustment to tax for non-deductible expenses:				
- non deductible expenses	297,437	235,363	288,737	235,363
Effect of changes in tax rate	(173,395)	-	(187,294)	-
Tax adjustments of preceding financial years	11,899	(25,616)	-	-
Incurred tax expense (net)	**897,212**	**(660,516)**	**813,750**	**(638,066)**

The Group and the Company have a contingent liability for additional fines and taxes from unaudited fiscal years for which sufficient provisions have been raised (see note 13.35). The unaudited fiscal years of the Company and the Group's consolidated companies are set out in note No 13.35.

According to Greek tax laws, the tax rate applying to Greek enterprises for fiscal years 2018 and 2017 is set at 29%. According to article 23 of Law 4579/2018, income tax rates of profits from business activities of legal entities in Greece, save credit institutions, are gradually reduced by 1% per annum, as follows: 28% for 2019, 27% for 2020, 26% for 2021, and 25% for 2022 onwards. Deferred income tax (expenses) of €173,395 and €187,294 for the Group and the Company arose from the gradual decrease in the income tax rate due to re-measurement of deferred tax assets and liabilities, which were charged to the Income Statement of the Group and the Company, respectively. Moreover, deferred income tax (income) of €87,305 and €82,270 for the Group and the Company arose, which was directly posted to Equity through the Statement of Comprehensive Income.

13.29 Cash flows from operating activities

(Indirect method of presentation)

Adjustments in profit and loss in the Statement of Cash Flows are broken down as follows:

(amounts in €)	THE GROUP		THE COMPANY	
Cash flows from operating activities	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**
Profit for the period	**(7,236,542)**	**(13,768,128)**	**(4,207,593)**	**(12,937,575)**
Adjustments for:				
Taxes	897,212	(660,516)	813,750	(638,066)
Depreciation of fixed assets	439,054	529,155	405,959	489,468
Depreciation of intangible assets	1,400,818	2,919,762	1,228,879	2,696,225
Provisions	1,068,237	1,555,997	1,425,541	1,519,446
Income from use of prior- period provisions	(859,485)	(1,321,320)	(823,811)	(1,264,175)
Impairment provisions for loans and other investments	2,657,144	2,660,159	-	2,660,159
(Gains)/losses from sale of tangible assets	102,912	248,118	88,555	248,118
(Gains)/losses from sale of financial assets at fair value through P&L	-	749	-	749
Non-cash expenses	9,666	-	-	-
Interest earned and related income	(7,002)	(201,962)	(18,225)	(207,442)
Interest charges and related expenses	3,406,574	3,740,563	3,327,916	3,657,599
Dividends	-	-	(8,585)	(5,050)
Share in result of affiliated companies	-	-	5,502	-
Other Foreign exchange differences	4,071	32,535	12,663	3,251
	1,882,659	**(4,264,887)**	**2,250,551**	**(3,777,294)**
Change in working capital				
(Increase) / decrease in stocks	(44,250)	(94,146)	(43,072)	(99,580)
(Increase) / decrease in receivables	77,953	4,845,328	(346,992)	4,305,067
(Increase)/ decrease in other current assets accounts	(587,422)	72,282	(620,417)	33,101
Increase / (decrease) in liabilities	(841,920)	1,381,156	(1,015,051)	1,668,896
	(1,395,638)	**6,204,619**	**(2,025,532)**	**5,907,483**
Cash flow from operating activities	**487,020**	**1,939,732**	**225,019**	**2,130,189**

13.30 Transactions with related parties

Transactions with related parties take place on an arm's length basis. The Group companies did not take part in any transaction of unusual nature or content which was material to the Group or to the companies or persons closely connected to the Group, and have no intention of taking part in such transactions in the future.

No transaction includes special terms and conditions and no collateral was provided or received. Outstanding balances are usually settled in cash.

Transactions between the companies included in the Group's consolidated financial statements through the full consolidation method have been eliminated.

On 31 December 2018, the transactions and balances of transactions between the Group's related parties are broken down as follows:

	GROUP		COMPANY	
Amounts in Euro				
Sales of goods/fixed assets				
	31 Dec 2018	**31 Dec 2017**	**31 Dec 2018**	**31 Dec 2017**
Parent Company	-	-	-	-
Subsidiaries	-	-	75,512	8,045
Associates	7,993	6,026	7,993	6,026
Other related parties	678,116	742,664	550,052	388,035
Total	**686,108**	**748,690**	**633,556**	**402,106**
Purchases of goods/fixed assets				
	31 Dec 2018	**31 Dec 2017**	**31 Dec 2018**	**31 Dec 2017**
Parent Company	-	-	-	-
Subsidiaries	-	-	-	-
Associates	-	-	-	-
Other related parties	-	-	-	-
Total	**-**	**-**	**-**	**-**
Sales of services				
	31 Dec 2018	**31 Dec 2017**	**31 Dec 2018**	**31 Dec 2017**
Parent Company	-	-	-	-
Subsidiaries	-	-	825,108	854,947
Associates	374,272	406,925	374,272	406,925
Other related parties	5,370,968	5,048,532	5,018,968	4,799,305
Total	**5,745,240**	**5,455,457**	**6,218,347**	**6,061,177**
Purchases of services				
	31 Dec 2018	**31 Dec 2017**	**31 Dec 2018**	**31 Dec 2017**
Parent Company	-	-	-	-
Subsidiaries	-	-	149,781	132,846
Associates	11,251	17,530	11,251	17,530
Other related parties	178,701	283,381	178,701	191,776
Total	**189,952**	**300,911**	**339,733**	**342,152**
Other income				
	31 Dec 2018	**31 Dec 2017**	**31 Dec 2018**	**31 Dec 2017**
Parent Company	-	-	-	-
Subsidiaries	-	-	212,157	191,350
Associates	-	35	188	35
Other related parties	99,516	58,406	99,516	58,406
Total	**99,516**	**58,441**	**311,860**	**249,791**
Other expenses				
	31 Dec 2018	**31 Dec 2017**	**31 Dec 2018**	**31 Dec 2017**

	GROUP		COMPANY	
Parent Company	-	-	-	-
Subsidiaries	-	-	-	-
Associates	-	-	-	-
Other related parties	1,300,652	1,621,497	1,263,827	1,584,885
Total	**1,300,652**	**1,621,497**	**1,263,827**	**1,584,885**

Earnings from interest from loans to affiliated parties

	31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017
Subsidiaries	-	-	15,390	9,671
Other related parties	805	425	805	425
Total	**805**	**425**	**16,195**	**10,096**

Interest charges from loans to affiliated parties

	31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017
Other related parties	134,894	21,750	134,894	21,750
Total	**134,894**	**21,750**	**134,894**	**21,750**

Loans to affiliated parties

	31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017
Subsidiaries	-	-	410,000	275,000
Total	**-**	**-**	**410,000**	**275,000**

Loans from affiliated parties

	31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017
Subsidiaries	-	-	55,000	-
Total	**-**	**-**	**55,000**	-

Receivables

	31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017
Parent Company	-	-	-	-
Subsidiaries	-	-	2,795,005	2,379,977
Associates	565,814	740,122	565,814	740,122
Other related parties	3,054,710	1,262,342	2,821,492	881,083
Total	**3,620,523**	**2,002,463**	**6,182,310**	**4,001,181**

Liabilities

	31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017
Parent Company	-	-	-	-
Subsidiaries	-	-	225,329	117,778
Associates	7,739	11,796	7,739	11,796
Other related parties	35,308,190	29,605,400	34,554,894	28,791,911
Total	**35,315,930**	**29,617,196**	**34,787,962**	**28,921,485**

The amount of Other related parties under the Liabilities category includes for the fiscal year 2018 loan amounts to the Group from Piraeus Bank of €28,033,145 and from the parent company €5,250,000 and to the Company €27,289,145 from Piraeus Bank and €5,250,000 from the parent Company. For the fiscal year 2017 the loan from Piraeus Bank to the Group amounted to €27,257,776 and to the Company €26,513,776.

13.31 Transactions with Key Management Personnel

Benefits to Management at the level of both Group and Company are broken down as follows:

	THE GROUP		THE COMPANY	
(amounts in €)	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**
Salaries and social security costs	1,063,657	1,085,928	831,240	764,885
BoD meeting fees	294,128	493,314	64,428	257,514

Staff termination compensation	82,593	317,000	-	317,000
Total	**1,440,378**	**1.896.242**	**895,667**	**1.339.398**

On 31 December 2018, no loans had been granted to BoD members or other senior Group executives (and their families).

13.32 Number of staff employed

On 31 December 2018, the number of staff employed by the Group and the Company is as follows:

	THE GROUP		THE COMPANY	
	31/12/2018	**31/12/2017**	**31/12/2018**	**31/12/2017**
Salaried staff	577	606	489	519

13.33 Liens

To secure its corporate bonds, pledges have been raised on all shares of the Company, and on its trademarks and trade receivables according to criteria specified in the loan agreements. In this context, receivables of €8,604 thousand have been assigned (31/12/2017: 9,654 thousand.) .

Moreover, the Company has raised a pledge on all shares issued by its subsidiaries which extends to the dividends of such shares that are paid to the Company if no reason of termination applies.

13.34 Contingent receivables - liabilities

The Company has contingent liabilities and receivables relating to banks, other guarantees and other issues arising in the context of its normal activities. These are shown in the following table:

	THE GROUP		THE COMPANY	
(amounts in €)	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**
Guarantees to ensure proper performance of contracts with customers	2,555,185	3,451,129	2,555,185	3,451,129
Guarantees for loan repayment	8,603,504	9,654,337	8,603,504	9,654,337
Advance payment guarantees - Blocked Deposits	3,782,746	3,962,666	3,780,542	3,960,467
Guarantees for participation in various tender procedures	216,123	329,997	216,123	329,997
Total	**15,157,558**	**17,398,129**	**15,155,354**	**17,395,930**

The Group recommends participation in various tenders pertaining to the assumption of projects and activities. In case such participation is successful, the projects may lead to the recognition of assets in the Company's future Financial Statements. No further disclosures are made since the approval procedure of participation in projects is still at the stage of evaluation by the authorities and the particular projects may not be awarded.

On 31.12.2018 the Company and its subsidiary have provided guarantees for the short-term borrowing of the Group’s companies, which amount to €1.2 million.

Furthermore, for the third party claims against the Company the relevant provision is recognized only if the criteria of IAS 37 are met.

13.35 Open tax periods

The accounting periods which remain open for tax purposes for Group companies are:

CORPORATE NAME	UN-AUDITED TAX YEARS
SINGULARLOGIC S.A.	2008-2018

PCS	2010-2018
SINGULARLOGIC BULGARIA C.A. EOOD	2002-2018
SINGULARLOGIC ROMANIA C.A. SRL	2012-2018
SINGULARLOGIC B.V.	2018
METASOFT	2010-2018
SINGULARLOGIC BUSINESS SERVICES S.A.(absorbed by SingularLogic on 12.03.2012)	2010-2011
SINGULARLOGIC INTEGRATOR A.E. (absorbed by SingularLogic on 03.10.2013	2007-2012
INFOSUPPORT	2010-2018
LOGODATA	2005-2018
SYSTEM SOFT	2010-2018
SINGULARLOGIC CYPRUS LTD	2006-2018
SENSE ONE TECHNOLOGIES A.E.	2011-2018
GIT HOLDINGS A.E.	2010-2018
GIT (CYPRUS) LTD	2009-2018
SINGULARLOGIC MARITIME LIMITED	2016-2018
INFO S.A.	2010-2018

The Group's tax liabilities are not final since there are unaudited tax years, which are analyzed in this note of the Financial Statements of the annual period ended on 31/12/2018. In relation to the open tax periods, there is a possibility that tax fines and surcharges could be imposed when they are examined and finalized. The Group annually reviews the contingent liabilities that are expected to result from an audit on previous tax years, and records the respective provisions when deemed necessary. The Group has recorded provisions for unaudited tax years of €383 thousand (31/12/2017: €383 thousand) and the Company of €379 thousand.

Management believes that apart from the provisions recorded, any tax amounts that may arise, will not have a significant impact on equity, profit and loss and cash flows of the Group and the Company.

On 26/02/2018 the Company received a notice of ordinary audit for 2012 which is underway.

For fiscal years 2011 to 2017, the companies of the Group that operate in Greece and meet the relevant criteria to fall under the tax audit by certified public accountants, received a Tax Compliance Report, according to par. 5 of Article 82(5) of Law 2238/1994 and article 65A par. 1 of L. 4174/2013, without giving rise to substantial differences. According to circular POL 1006/2016, companies that fall under the aforementioned special tax audit are not exempted from the process of ordinary tax audit from the competent tax authorities. The Group's Management estimates that in the case of future reviews by the tax authorities, if they are ever carried out, no additional tax differences with significant impact on the Financial Statements will arise.

For the fiscal year 2018, the special audit for obtaining the Tax Compliance Report is underway and the relevant tax certificates are expected to be granted following publication of the financial statements for 2018. If any additional tax liabilities arise until the conclusion of the tax audit it is deemed that they will not have a significant impact on the Financial Statements. According to recent legislation, the audit and issue of Tax Compliance Report for the fiscal years 2016 onwards is optional.

14 Risk Management Purposes and Policies

The Group is exposed to financial risks including exchange rate, interest rate, credit and liquidity risks. The Group's risk management plan seeks to limit the negative impacts on Group financial results arising from inability to predict how financial markets will perform and from fluctuations in costs and sales variables.

The procedure followed is outlined below:

- assessment of risks relating to the Group' s activities and functions;
- planning of the methodology and selection of adequate financial instruments for risk mitigation; and
- execution/application of the risk management procedure, in accordance with the procedure approved by Management.

The Group's financial instruments mainly consist of deposits with banks, corporate bonds and short-term bank loans, overdraft rights with banks, short-term, highly-liquid, exchange-traded financial instruments, trade debtors and creditors, loans to and from subsidiaries, investments in equities.

14.1 Foreign exchange risk

The Group mainly operates in the EU and, therefore, its exposure to the foreign exchange risk is not considerable.
Nevertheless, risk arises from commercial transactions in foreign currency and also from net investments in foreign entities, the net assets of which are exposed to foreign exchange risk (mainly in USD and the Romanian RON). The amount of these transactions is not significant and no exchange risk hedging is implemented.
The financial assets and the respective liabilities in foreign currency are broken down as follows:

	31/12/2018				31/12/2017			
Amounts in € and foreign currency	**EUR**	**USD**	**GBP**	**RON**	**EUR**	**USD**	**GBP**	**RON**
Notional Amounts								
Financial assets	887,792	326,734	6,137	2,777,699	928,653	553,854	6,137	2,142,542
Financial liabilities	(725,148)	(173,584)	(1,676)	(2,666,226)	(609,547)	(119,990)	(81,676)	(1,944,639)
Short-term exposure	**162,644**	**153,150**	**4,461**	**111,473**	**319,106**	**433,864**	**(75,539)**	**197,903**

The table below presents the changes in the operating result and equity in relation to the financial assets and financial liabilities if floating rates with US Dollar (USD), Romanian Leu (Ron) and British pound sterling (GBP) vary by 10%.

Sensitivity analysis is based on the financial instruments in foreign currency held by the Group for each reporting period.

Sensitivity analysis to foreign exchange changes:

	31/12/2018					
Amounts in €	**USD**		**GBP**		**RON**	
Profit for the year (post tax)	13,376	(13,376)	499	(499)	2,390	(2,390)
Equity	13,376	(13,376)	499	(499)	2,390	(2,390)

	31/12/2017					
Amounts in €	**USD**		**GBP**		**RON**	
Profit for the year (post tax)	36,176	(36,176)	(8,514)	8,514	4,248	(4,248)
Equity	36,176	(36,176)	(8,514)	8,514	4,248	(4,248)

The Group's exposure to FX risk varies during the year depending on the volume of transactions in foreign currency. Yet, the above analysis is considered representative of the Group’s FX exposure.

14.2 Interest rate risk sensitivity analysis

The Group is exposed to the variation risk of future cash flows due to change in the interest rates since it has issued corporate bonds and has obtained short-term loans at a floating rate. The Group's policy is to minimize its exposure to the interest rate cash flow risk as regards long-term financing. On 31 December 2018, the Group was exposed to variations of the interest rate market as regards bank loans, which are subject to variable interest rate (for more information, please see note 13.19 on bank loans).

The table below shows the sensitivity of operating results and equity to a reasonable change in the interest rate in the order of +/- 1% (2017: +/-1%). The interest rate changes are expected to be reasonable based on recent market conditions.

Group and Company loans sensitivity analysis to interest rate changes:

	THE GROUP				THE COMPANY			
	31/12/2018		31/12/2017		31/12/2018		31/12/2017	
Amounts in €								
Profit for the period after tax	(627,231)	627,231	583,417)	583,417	(614,152)	614,152	(570,254)	570,254
Equity	(627,231)	627,231	(583,417)	583,417	(614,152)	614,152	(570,254)	570,254

14.3 Other price risk analysis

The risk from the volatility of securities prices is deemed negligible for the Group's economic results due to its limited investments in entities.

14.4 Credit risk analysis

Group and Company's exposure to credit risk is limited to the financial assets (instruments) which on 31.12.2018 are broken down as follows:

	THE GROUP		THE COMPANY	
Amounts in €	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**
Financial asset categories				
Cash and cash equivalents	1,705,465	1,784,000	517,776	504,786
Trade and other receivables	16,892,174	16,748,561	17,602,948	17,369,920
Total	**18,597,640**	**18,532,561**	**18.120.724**	**17,874,706**

The maturity of outstanding and non-impaired trade and other receivables on 31/12/2018 & 31/12/2017 is presented:

	THE GROUP		THE COMPANY	
Overdue and non-impaired	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**
Less than 3 months	2,087,392	2,833,886	1,900,948	2,751,186
Between 3 and 6 months	512,966	1,177,666	524,274	1,281,174
Between 6 months and 1 year	264,723	361,080	578,675	725,037
More than 1 year	15,101	66,730	667,202	1,152,675
	2.880.184	**4,439,362**	**3.671.099**	**5,910,072**

In relation to trade and other receivables, the Group is not exposed to highly important credit risks. Group receivables derive from a large, wide customer base. The Group constantly monitors its receivables individually or per group and includes that information in credit controls. Where available, external reports or analyses on customers are used. Group policy is to collaborate with reliable customers only.
On 31.12.2018 Group Management assesses that there is no substantial credit risk which is not already covered by provisions for bad debts. The credit risk for cash and cash equivalents is deemed negligible given that the Group collaborates with recognized financial institutions of high credit rating.

14.5 Liquidity risk analysis

The Group manages its liquidity needs by carefully monitoring its debts, long-term and short-term financial liabilities and also the payments made daily. Liquidity requirements are monitored in various time zones on a daily and weekly basis and on a rolling 30-day basis. Long-term liquidity requirements for the 6 months ahead and the following year are calculated each month.
The maturity of the Group's and Company's financial liabilities on 31 December 2018 is broken down as follows:

THE GROUP

31/12/2018

	Short-term		**Long-term**	
	Within 6 months	**6 to 12 months**	**1 to 5 years**	**Over 5 years**
Amounts in €				
Bonds payable next year	1,000,000	50,443,996	-	-
Finance lease obligations	-	2,493	5,850	-
Trade liabilities	3,531,811	4,493,609	-	-
Other short-term liabilities	8,571,232	6,682,482	197,602	-
Short-term borrowing	-	11,270,794	-	-
	13,103,043	**72,893,375**	**203,453**	**-**

31/12/2017

	Short-term		**Long-term**	
	Within 6 months	**6 to 12 months**	**1 to 5 years**	**Over 5 years**
Amounts in €				
Bonds payable next year	52,789,716	-	130,000	-
Finance lease obligations	-	2,493	8,235	-
Trade liabilities	3,767,964	4,196,675	-	-
Other short-term liabilities	7,811,596	6,601,540	-	-
Short-term borrowing	5,411,236	-	-	-
	69,780,511	**10,800,708**	**138,235**	**-**

THE COMPANY

31/12/2018

	Short-term		**Long-term**	
	Within 6 months	**6 to 12 months**	**1 to 5 years**	**Over 5 years**
Amounts in €				
Bonds payable next year	1,000,000	50,313,996	-	-
Trade liabilities	4,552,630	3,006,070	-	-
Other short-term liabilities	7,829,920	6,164,333	-	-
Short-term borrowing	-	10,101,174	-	-
	13,382,549	**69,585,574**	**-**	**-**

31/12/2017

	Short-term		**Long-term**	
	Within 6 months	**6 to 12 months**	**1 to 5 years**	**Over 5 years**
Amounts in €				

Bonds payable next year	52,789,716	-	-	-
Trade liabilities	4,539,214	3,026,143	-	-
Other short-term liabilities	7,070,339	6,363,342	-	-
Short-term borrowing	4,235,717	-	-	-
	68,634,986	**9,389,484**	-	-

On 31/12/2018 the Group's loans amount to €62,723 thousand, out of which an amount of €62,717 concerns short-term loan liabilities. Likewise, the Company's loans amount to €61,415 thousand and concern in total short-term loan liabilities. Short-term loan liabilities of the Group and the Company include bond loans of €51,314 thousand, while their contractual termination was on 31/01/2018. As part of its negotiations with the credit institutions having granted the above loans, the Company sent requests for consent regarding the extension of the loans' termination and was granted an extension until 31/10/2018. Following the above, in January 2019 the Company received consent for the extension of the bond loans until 31/01/2020 with retroactive effect from 31/10/2018. At the same time, on 31/12/2018 the financial terms regulating the above bank liabilities were not complied with.

The Company's Management is in discussions with the creditor banks in order to achieve the restructuring of the said loans.

In light of the above and taking into consideration that the Management has no indications that the actions planned will not be concluded successfully, it is estimated that both the Group and the Company will not face any financing or liquidity issues within the next 12 months (see notes 9.1 and 13.19).

14.6 Presentation of financial assets and liabilities per category

The financial assets and financial liabilities on the date of the financial statements may be categorized as follows:

	THE GROUP		**THE COMPANY**	
Amounts in €	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**
Non-current assets				
Loans and receivables	282,779	215,514	178,899	333,601
Other financial assets	59,932	59,932	59,932	59,932
Total	**342,711**	**275,446**	**238,831**	**393,533**
Current assets				
Assets presented at fair value through P&L	-	-	-	-
Trade and other receivables	16,892,174	16,748,561	17,602,948	17,369,920
Cash and cash equivalents	1,705,465	1,784,000	517,776	504,786
Total	**18,597,640**	**18,532,561**	**18,120,724**	**17,874,706**
Long-term liabilities				
Loans	5,850	138,235	-	-
Total	**5,850**	**138,235**	**-**	**-**
Short-term liabilities				
Loans	62,717,283	58,203,445	61,415,170	57,025,433
Financial liabilities	8,025,420	7,964,639	7,558,700	7,565,357
Other financial liabilities	15,207,065	14,386,303	13,994,253	13,433,681
Total	**85,949,768**	**80,554,387**	**82,968,123**	**78,024,471**

14.7 Fair value measurements

The financial assets and financial liabilities measured at fair value in the Group's and the Company's Statement of Financial Position are classified in 3 levels based on the hierarchy below so as to determine and disclose the fair value of financial instruments per valuation technique:

Level 1: investments measured at fair value based on quoted (non adjusted) prices on active markets for similar assets or liabilities.

Level 2: investments measured at fair value based on valuation techniques for which all inputs having a significant effect on the recorded fair value are directly or indirectly observable.

Level 3: investments measured at fair value based on techniques using inputs that have a significant effect on the recorded fair value and are not based on observable market data.

Analysis of financial instruments levels

2018 Financial Assets	**Measurement at fair value at the end of the reporting period using:**			
Amounts in €	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value through profit or loss				
Shares	-	-	59,932	59,932
Total financial assets	**-**	**-**	**59,932**	**59,932**
Financial liabilities				
-Loans	-	-	-	-
Total financial liabilities	**-**	**-**	**-**	**-**
Net fair value	**-**	**-**	**59,932**	**59,932**

2017 Financial Assets	**Measurement at fair value at the end of the reporting period using:**			
Amounts in €	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value through profit or loss.				
Shares	-	-	59,932	59,932
Total financial assets	**-**	**-**	**59,932**	**59,932**
Financial liabilities				
-Loans	-	-	-	-
Total financial liabilities	**-**	**-**	**-**	**-**

Net fair value	-	-	59,932	59,932

14.8 Capital management policies and procedures

Group capital management objectives are as follows:

- to ensure the Group's ability to continue its operations as a going concern, and
- to ensure satisfactory performance for the shareholders by invoicing products and services proportionately to the risk level.

The Group monitors capital based on the amount of shareholder's equity plus subordinated debts less cash and cash equivalents as presented in the Statement of Financial Position. The capital for the fiscal year for the Group and the Company is analyzed as follows:

	THE GROUP		THE COMPANY	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Amounts in €				
Loans	62,723,134	58,341,680	61,415,170	57,025,433
Less: Cash and cash equivalents	(1,705,465)	(1,784,000)	(517,776)	(504,786)
Net Borrowing	**61,017,668**	**56,557,680**	**60,897,394**	**56,520,647**
Total equity	2,632,466	11,109,112	5,546,097	10,859,817
Net Borrowing to Equity	**23.18**	**5.09**	**10.98**	**5.20**

15 Events after the reporting period

- SingularLogic, member of MIG Group, was successfully certified as Oracle Cloud Excellence Implementer (CEI). SingularLogic's certification as Gold Partner of Oracle refers to Customer Experience Engagement Oracle Cloud for Eastern and Central Europe.

- SingularLogic, member of MIG Group, enriches its services portfolio in the field of Data Security and invests in developing its know-how and the skills of its executives by including in its services portfolio the security solutions of Check Point Software Technologies, for which it was certified as 2 Stars Partner.

N. Kifisia, 22/4/2019

THE CHAIRMAN & MANAGING DIRECTOR	THE MEMBER	HEAD OF THE FINANCE DIVISION	CHIEF ACCOUNTANT
GEORGIOS KONSTANTOPOULOS ID No X085909	CHRISTOPHE VIVIEN ID No. 14AD07810	THEODORA BENETATOU ID No. P075261	AFRODITI PYRGIOTAKI ID No. X046755 Greek ICPA, CLASS A 4664