ANNUAL FINANCIAL REPORT

for the period from

1 January to 31 December 2019

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

N. Kifisia, 01/06/2020

Singular Logic

TABLE OF CONTENTS

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 2019, 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 2019, 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's and Company's short-term liabilities are in excess of the total current assets by €8,191 thousand and €6,530 thousand respectively, and also that the Group is negotiating with credit institutions to restructure its existing loan liabilities (2018). Moreover, attention is drawn to note 15 to the financial statements which makes reference to the risks that may arise from the COVID-19 pandemic in relation to the results and economic position/liquidity of the Group and the Company.

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 debt restructuring and the success of Management's business planning under the circumstances shaped from the COVID-19 pandemic are a key prerequisite for ensuring that the Group and the Company will remain a going concern. As indicated in the same note, Management has planned the actions needed to improve the financial position of both 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 (2018).

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 controls.
- Obtain an understanding of internal controls 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 controls.
- 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 obliged 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 its operations 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 ensures fair presentation.
- Obtain sufficient and 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 management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

1) 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:

a. In our opinion, the Board of Directors' Management Report has been prepared in accordance with applicable legal requirements of articles 150 and 153 of Law 4548/2018 and its content matches that of the accompanying financial statements for the year ended on 31/12/2019.

b. 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.

2) Note 9.1 to the financial statements makes reference to the fact that on 31 December 2019 the Company's total equity is less than half (1/2) of its share capital and, thus, the conditions of article 119 paragraph (4) of Law 4548/2018 apply, on the basis of which the Board of Directors is obliged to convene the general meeting of shareholders to take the appropriate measures.

Athens, 1 June 2020

The Certified Public Accountant

Thanasis Xynas

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SingularLogic

B. Annual Report of the Board of Directors on the consolidated and separate Financial Statements on the year from 1 January 2019 to 31 December 2019.

Dear Shareholders,

The present report of the Board of Directors concerns the fiscal year 2019 and gives a true and fair view of the performance of the Company's activities and its financial position, a report of the significant events during 2019, 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 disclosure 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

2019 was a year of substantial recovery for the Information Technology sector following the overall growth momentum of Greek economy. The improvement in investment climate and the increase in key indicators such as exports, private consumption and public consumption shaped a particularly positive macroeconomic environment during the second half of 2019. This was reflected in the growth rate of the GDP at fixed prices, which stood at 1.9% as it was in 2018 (source: Bank of Greece).

With respect to the IT sector, its growth is estimated at 3.6% compared to 2018, according to the recent announcements of the Association of Greek IT Companies (SEPE).

2. Group's Economic Review

During 2019, the Group and the Company recorded an increase in turnover and operating result compared to 2018. The European Parliament and local government elections together with the national elections in 2019 was a project undertaken and successfully completed, thus contributing significantly to the change in both financial indicators.

Therefore, consolidated sales of SingularLogic Group in 2019 amounted to €46.9 million compared to €41.5 million in 2018, an increase of 13%. Gross profit amounted to €11.4 million compared to €9.9 million in 2018, with profit margin kept at the same level, i.e. 24% in 2019 as also in 2018. During the current year, operating profit EBITDA amounted to €4.6 million compared to €1.6 million in 2018.

Concerning working capital, loans and liquidity of the Group and the Company, they are analyzed extensively in section "3. Risk Management" of the present Report.

Sales breakdown

The table below sets out the segmentation of Group sales per revenue category for the period 01.01.2019-31/12/2019:

SALES PER BUSINESS ACTIVITY

(Amounts in euro)	01/01/2019-31/12/2019	%	01/01/2018-31/12/2018	%
Sales of software licenses	2,356,348	5.02	3,167,950	7.63
Sales of maintenance	14,789,232	31.50	15,344,575	36.97
Sales of services	22,581,198	48.10	17,711,971	42.67
Sales of equipment	7,221,792	15.38	5,282,344	12.73
Total	**46,948,570**	**100.00**	**41,506,840**	**100.00**

3. Main risks and uncertainties

The main risks and uncertainties to which the Group is exposed are analyzed below.

It is recommended to read these risks in combination with the effect that the Covid-19 pandemic will have on the Group's financial results, position and liquidity, as described in section 5 “Important events after the end of the reporting period” of this Management Report.

(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 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 relevant to the business of IT companies may affect their competitiveness, thus giving rise to the need for ongoing renewal and update. 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 from 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 incorporates 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 2019 is broken down as follows:

	GROUP				COMPANY			
	31/12/2019				31/12/2019			
	Short-term		Long-term		Short-term		Long-term	
	Within 6 months	6 to 12 months	1 to 5 years	More than 5 years	Within 6 months	6 to 12 months	1 to 5 years	More than 5 years
Amounts in €								
Long-term borrowing	-	-	30,286,058	-	-	-	30,156,058	-
Lease liabilities	461,412	425,875	533,752	28,026	372,918	346,251	386,410	28,026
Trade liabilities	3,651,415	4,754,219	-	-	4,913,890	3,275,927	-	-
Other short-term liabilities	8,179,787	5,711,519	107,591	-	7,501,502	5,046,745	-	-
Short-term borrowing	5,675,289	-	-	-	4,438,342	-	-	-
Total	**17,967,903**	**10,891,613**	**30,927,401**	**28,026**	**17,226,652**	**8,668,923**	**30,542,468**	**28,026**

	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	More than 5 years	Within 6 months	6 to 12 months	1 to 5 years	More than 5 years
Amounts in €								
Long-term borrowing	1,000,000	50,443,996	-	-	1,000,000	50,313,996	-	-
Lease liabilities	-	2,493	5,580	-	-	-	-	-
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	-	-
Total	**13,103,043**	**72,893,375**	**203,453**	**-**	**11,382,550**	**69,585,574**	**-**	

On 31/12/2019 both the Group and the Company demonstrate a negative working capital since the short-term liabilities are in excess of the current assets by €8,191 thousand and €6,530 thousand respectively.

On 31/12/2019 the Group's loans amount to €35,961 thousand, out of which €5,675 thousand concern short-term borrowing while the remainder of €30,286 thousand refers to long-term borrowing. Likewise, the Company's loans amount to €34,594 thousand, out of which €4,438 thousand concern short-term borrowing while the remainder of €30,156 thousand refers to long-term borrowing. Long-term borrowing includes bond loans of €24,436 thousand and €24,306 thousand for the Group and the Company, respectively.

The decrease in the Company's bond loans compared to last year is due, on the one hand, to the repayment of €1,000 thousand and, on the other hand, to the capitalization made in December 2019 of €26,008 thousand from the shareholder MARFIN INVESTMENT GROUP HOLDINGS S.A. which had acquired bonds of the respective amount (see note 13.17). The maturity of the Group's and the Company's long-term borrowing is set on 31/01/2021 for an amount of €30,156 thousand while the Group's remainder of €130 thousand is set on 30/04/2021 (see 13.20).

It is noted that the Company's total equity becomes less than 1/2 of the share capital and, therefore, the conditions of article 119 paragraph (4) of Law 4548/2018 are met, based on which the Board of Directors is obliged to convene the General Meeting of shareholders to take appropriate measures.

With respect to the Company's and the Group's liquidity, it is estimated that no financing issues will be raised within the next 12 months (see notes 9.1 and 13.20).

d) Interest rate risk

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

e) Accident risk

Due to the nature of its works, the Company is subject to the aforementioned risk that may have a negative impact on its results, clientele or operations. In this context, SINGULARLOGIC has taken out a property, civil liability, professional liability, fire and employers' liability insurance policy.

4. Major events occurring during the reporting period

4.1 Collection and broadcasting of European Parliament - Local Government and National Elections results in 2019

SINGULARLOGIC undertook and successfully completed the collection and broadcasting of the results of the 2019 European Parliament and Local Government Elections on 26/05/2019 and 02/06/2019, on behalf of the Ministry of Internal Affairs. The innovations applied by the Company to these elections further improved the electoral process and speed in citizen information.

In addition, the Company successfully carried out the project of collection and broadcasting of the results of the 2019 National Elections held on 07/07/2019, which was undertaken on behalf of the Ministry of Internal Affairs. The Company published more accurate than ever estimated results from the national elections earlier than ever before.
During the 2019 elections, the Company used 12,000 tablets and 4,500 mobile devices to collect the results by applying secure electoral results reporting which also supported the broadcasting of votes cast for each candidate.

4.2 NEW PROJECTS

During the year, the Company was awarded a host of new projects, the most important of which are its partnerships with many companies (COCA-COLA HELLENIC BOTTLING COMPANY [CCHBC], CORAL ENERGY PRODUCTS CYPRUS, AVIS/OLYMPIC TOURIST & HOTEL BUSINESS, HP HELLAS PRINTING & PERSONAL COMPUTER SYSTEMS, ZENITH THESSALONIKI - THESSALIA NATURAL GAS SUPPLY COMPANY, DODONI ICE CREAM, VOLOS PORT AUTHORITY), and implemented important projects in the retail market by providing the integrated solutions SingularLogic Retail System, SingularLogic Station Manager and Galaxy Retail for gas stations, super market networks, department stores and Hellenic Seaways.

4.3 AWARDS - DISTINCTIONS

- The European project NeMo "Hyper-Network for electroMobility", in which SingularLogic is a main partner, won the 1st prize at the "MOBI Grand Challenge Phase II Citopia" 2019, in Los Angeles, USA, in the awards category "Most Feasible Entry", as the most feasible solution to improve human mobility, by using blockchain technology.

- Silver Award for the Personal Health Record (PHR) application at the Healthcare Business Awards 2019, in the category of Digital Applications that provide information and comprehensive care to patients.

- Silver Award for SingularLogic and the Agricultural Cooperative Union of Zagora, Pilio-Zagorin, in the "Manufacturing / Industry" category, at the Impact Business IT Excellence Awards 2019, for the optimal use of SingularLogic's Galaxy Platform that enabled the Union to optimize its productivity and effectiveness along with minimizing its costs.

- SingularLogic received the Bronze Award at the Sales Excellence Awards 2019, for the omnichannel customer experience upgrade project at Sephora Greece, which contributed to increased sales.

- SingularLogic was awarded by Oracle as "Partner of the Year: Cloud Implementation Excellence", during the Oracle CEE Partner Executive Forum, held in Ljubljana in March 2019. The award reflects the successful implementation of Cloud projects based on implementation best practices. At the same time, SingularLogic is one of the few CEE Oracle partners with CEI (Cloud Excellence Implementer) certification for the Engagement Cloud.

- SenseOne, a SingularLogic Group member, received Gold award at the Energy Mastering Awards 2019, in the Energy Monitoring Technologies category for "IoE monitoring service through the SenseOne IoT Platform" solution.

- SenseOne, a SingularLogic Group member, and Thrace Plastics Pack S.A., a Thrace Group member, received Gold award at the Impact Business IT Excellence Awards 2019, for the optimal use of energy and operational efficiency in both plants of the latter, through the innovative SenseOne IoT platform.

- 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.

4.4 ORGANIZATIONAL CHANGES

- The Chairman and CEO Mr. Georgios Konstantopoulos tendered his resignation from the Company's Board of Directors. Further to this resignation, during the meeting held on 15 July 2019, the Board of Directors unanimously elected Mr. Ioannis Theodoropoulos as Chairman and Managing Director for the remaining term in office. The minutes of the Board of Directors meeting held on 15 July 2019 were submitted to the competent service of the Athens Chamber of Commerce and Industry and the relevant announcement was registered with number 1805305/30.07.2019 and was uploaded on the website of the General Commercial Registry (Greek GEMI).

Further to the election of Mr. Ioannis Theodoropoulos as Chairman and Managing Director, the Company's Board members are the following:

- Ioannis Theodoropoulos, father's name Nikolaos, 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

- The liquidation of the subsidiary METASOFT S.A. was completed on 25.11.2019.

- The liquidation of the subsidiary SINGULARLOGIC MARITIME SERVICES LTD, subsidiary of GREEK INFORMATION TECHNOLOGY (CYPRUS) LTD, was completed on 31/12/2019.

- On 31/12/2019 SINGULARLOGIC B.V. was put into liquidation by decision of its General Meeting.

5. Important events after the reporting period

- On 10/03/2020 the Board Member Christophe Henri Vivien, son of Francois, resigned.

Further to the above, the Board of Directors was formally composed as follows:

- Ioannis Theodoropoulos, father's name Nikolaos, Chairman and Managing Director
- Georgios Efstratiadis, father's name Efstratios, Member
- Anastasios Kyprianidis, father's name Georgios, Member
- Stefanos Kapsaskis, father's name Konstantinos, Member

- On 6/3/2020, all (100%) of the shares of the subsidiary SINGULARLOGIC BULGARIA were transferred.
- Emergence of the COVID-19 pandemic

The Group's activity is significantly affected by private sector investments which are extremely sensitive to retail consumption, and by public investments which are fully in line with Greece's macroeconomic indicators. Studies of the Greek market show an upward trend in the IT sector driven by changes in the aforementioned parameters which determine the change in Greece's GDP growth rate, in conjunction with net exports.

Before the COVID-19 outbreak, the Greek economy seemed to recover from the long economic crisis and be at a phase of accelerated growth. Consumer trust became stronger and the economic environment recorded a significant improvement. The capital controls that were lifted combined with the gradual decrease in the financing cost and the launch of important investment plans are factors that improve the economic environment. In light of the above and provided that the COVID-19 pandemic will be soon got over, there is the well-founded hope that the Company can achieve its objectives unhindered.

Emergence of the COVID-19 pandemic - Risks – Implications - Measures taken

On 30 January 2020, the World Health Organization (WHO) declared that the outbreak of COVID-19 constitutes a "public health emergency of international concern", and in March 2020 the WHO declared COVID-19 a pandemic. In accordance with IAS 10 requirements, the impact of the COVID-19 pandemic is a non-adjusting event for the financial statements of the year ended on 31 December 2019.

The COVID-19 pandemic has affected the business and economic activity across the world. Various sectors of economic activity as a whole have suspended or slowed down their business while lockdown has been imposed by many countries. More specifically, the positive prospects that had been shaped early in the year about the performance of the Greek economy suffered a setback due to the emergence of the pandemic in Greece, as a drop in the GDP is expected which, as estimated, will be recorded in almost all business sectors in Greece, with the sectors of tourism, catering, transports, trade and entertainment being affected the most.

Due to the range of its product portfolio, the Company collaborates with sectors significantly affected by COVID-19 as well as sectors that saw increased activity. Therefore, the effect on its financial results is mixed, with adverse effects weighing more on results.

The Greek State took a number of measures to combat the spread of the pandemic. Moreover, an act of legislative content imposed, among others, restrictions on the collection of checks in relation to the affected entities and deferral of payments of taxes and employer contributions, allowing companies to better manage their cash flows throughout the pandemic.

Risks from the Covid-19 pandemic

More specifically, the pandemic generates a considerable number of risks that could have an impact on the financial position and results of 2020, and involve the following sectors:

Loss of income during 2020: negative fluctuations of GPR growth and, therefore, adverse impacts on the objectives set by the Company.

Assets impairment risk: Due to the expected effect of the pandemic on global economy and our country and, by extension, on the Group's economic performance, there is the risk that its assets, namely the Company's acknowledged goodwill, brand and investments in subsidiaries will be measured at lower values in the following years and impairment may eventually arise which will be charged to the Group's results and economic position.

Financial position/liquidity: The Group's liquidity is deemed satisfactory at the current period, i.e. the Group can fully meet its needs for the entire year 2020, according to Management's business plan. However, it is exposed to major risks as a result of the pandemic. Moreover, the restrictions imposed by an act of legislative content on the collection of checks drawn by the affected entities also give rise to reduced liquidity.

Credit risk: The Company manages credit risk in a satisfactory manner, having developed credit control procedures in order to minimize doubtful debts. Yet, the emergence of the pandemic gives rise to new circumstances and enforces the alertness about how to deal with eventual cases of default or overdue liabilities that could occur.

Group Management monitors closely the developments and takes a number of measures to adapt its business model to the changing conditions, secure the Company's financial position and limit any adverse effects as much as possible.

Implications for the Group's financial performance

The recent developments may affect considerably the Group's financial performance in 2020, as the sector operates across customers who face mixed effects on their economic results.

The range of effects will depend on factors such as the duration of the epidemic and the applicable restrictive measures, any additional measures that may be taken by governments and the magnitude of adverse effects on global economy as a whole.

Specifically for the Company, up until April, no significant deviations from the objectives have been recorded. During May, first signs of impact on the objectives were given, which is likely to be kept throughout summertime due to the seasonality of the business.

Group Management assesses on an ongoing basis any new information that arises during the pandemic and the relevant decisions taken by the Authorities, and regularly adjusts its plans, driven mainly by its concern to protect the Group's economic position.

Meanwhile, the Group has adopted measures to reduce the operating cost and strengthen its economic position in order to prevent any significant impact on its initial estimate of its operating results for 2020.

The above disclosures have been based on updated information about the progress of the pandemic and the restrictive measures announced by the State, take into account the relief measures and the outcome of the actions taken by Company Management to boost the Group's economic position.

However, it is noted that this phenomenon is in full evolution and as such the above estimates and assumptions of Management are highly uncertain. Such data may radically change and could result in a positive outcome insofar as methods to deal with the pandemic are found soon and in particular a vaccine and effective measures supporting economic activity are implemented, or in a negative outcome if the situation gets worse and the pandemic is here to stay for the long term.

Implications for the Group's financial performance

Management is at the stage of reassessing its commercial activity and relevant cash flows, by using revised assumptions and incorporating negative scenarios in the assessment of actual and potential financing needs, taking into account the main effects determined above.

The Group safeguards its cash flows, making its best efforts to maintain adequate working capital and identifying areas of cost savings, if possible, as already cited in the paragraph on Management actions.

Measures taken to deal with the pandemic of coronavirus disease 2019 (COVID-19)

To deal with the emergency created by the pandemic of coronavirus disease (COVID-19), the Company has set the following three main goals:

I. Protection of the health and safety of its employees and partners
II. Group's business continuity
III. Measures to reduce the operating cost and strengthen the Group's economic position

I. **Protection of the health and safety of employees, customers and partners**

The Group's primary concern is to protect the health of its employees, customers and partners. To this end, the Group took in good time a number of preventative measures, giving specific directions about the actions that each employee should take in case symptoms of the disease are noticed.

Remote work was put into practice early in the pandemic by more than 70% of the personnel, with the minimum number of security employees kept in the offices. Meanwhile, all business trips and live meetings have been cancelled, and are now carried out through teleconference or video-conference. Moreover, certified crews of external partners regularly disinfect the office buildings.

II. Business continuity

As soon as the coronavirus pandemic appeared, the Company set up a Crisis Management Team in order to ensure continuous update about taking appropriate measures to protect its employees, and implemented a specialized business continuity plan which allows the Group's current operations and services to continue through remote work, deploying the relevant technological capabilities.

III. Measures to reduce the operating cost and strengthen the Group's economic position

Management made decisions to reduce the operating costs and strengthen the Group's economic position, which are summed up as follows:

- They made use of all the relief measures announced by the State with respect to the affected entities in order to secure adequate liquidity even in case the pandemic gets worse and is here to stay for the long term.

- Actions were taken to further improve liquidity by extending the payment time of liabilities to suppliers, negotiating rental fees beyond legal provisions and for a longer period of time and by deferring supplies that are not absolutely necessary.

- Rotation work of the employees was decided in accordance with the terms and conditions prescribed by the laws in conjunction with the Company's operational needs for a period of 2 weeks during Easter holidays.

6. Outlook for 2020

The emergence of the COVID-19 pandemic had a negative effect on the economic activity worldwide. More specifically, the positive prospects that had been shaped early in the year about the performance of the Greek economy suffered a setback due to the emergence of the pandemic in Greece, as a drop in the GDP is expected which, as estimated, will be recorded in almost all business sectors in Greece, with the sectors of tourism, catering, transports, trade and entertainment being affected the most.

In the IT sector, however, the emerging trends were mixed. On the one hand, international partnerships are established and discussions are held on a worldwide scale about the new emerging opportunities; on the other hand, however, some private sector projects were suspended due to extreme cautiousness.

Yet, in Greece many opportunities are arising for development of the sector in the medium-term due to the decision of the State for digitization of the public sector (banks, transactions, payments, distributions, remote work etc.).

In this context, Company Management considers 2020 as a transitional period, giving priority to address the mixed trends that have emerged in the industry.

The reliability of the Company's enterprise software solutions combined with the prompt adaptation of its human resources to the new reality about remote quality IT services are important comparative advantages in the markets in which the Company operates. To maintain its competitiveness at the highest possible level, the Company will remain focused on the flexible adjustment of its structures and operations to the new economic reality, placing emphasis on high added value actions, services and activities.

7. 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 2019 and the balances of receivables and liabilities on 31/12/2019 for the Group and the Company that have resulted from transactions with related parties, are presented in note 13.32 of the Annual Financial Report.

8. 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 trusted its products and solutions.

Its activities include 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

To maintain our leading position and create the strongest business ecosystem for enterprise software solutions in Greece.

Our mission

To help our customers achieve their goals by using the enterprise software solutions we provide them.

Our values:
- Innovation
- Team spirit
- Consistency
- Dedication to customer success

The Company places great emphasis on implementing:

- policies and procedures that assist in achieving good corporate governance
- a services quality management system, certified according to ISO 20001 (Information Technology Service Management System)
- an Information Security Management System certified according to ISO 27001, and on
- 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 437 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 SFA ▪ Galaxy CRM ▪ Galaxy Retail ▪ SRS Retail System ▪ Galaxy Hospitality Suite ▪ Galaxy Payroll ▪ HCM/SHR ▪ Station Manager ▪ Accountant ▪ CFMS (Credit Facilities Management Solution) ▪ 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 ▪ mCommerce & eCommerce ▪ Financial Services Management ▪ IoT (Internet of Things) solutions

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

SingularLogic Business Model

Crucial partnerships	Main activities	Value/ Usefulness	Market segments the Company aims at
Partnership with internationally reputed IT firms	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.

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

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.

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 software and IT equipment products and solutions.	SingularLogic, 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

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
- partners
- sales network (resellers)
- employees
- State & regulatory Authorities
- broader public sector
- customers
- financial institutions
- wider society
- suppliers
- scientists
- 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.

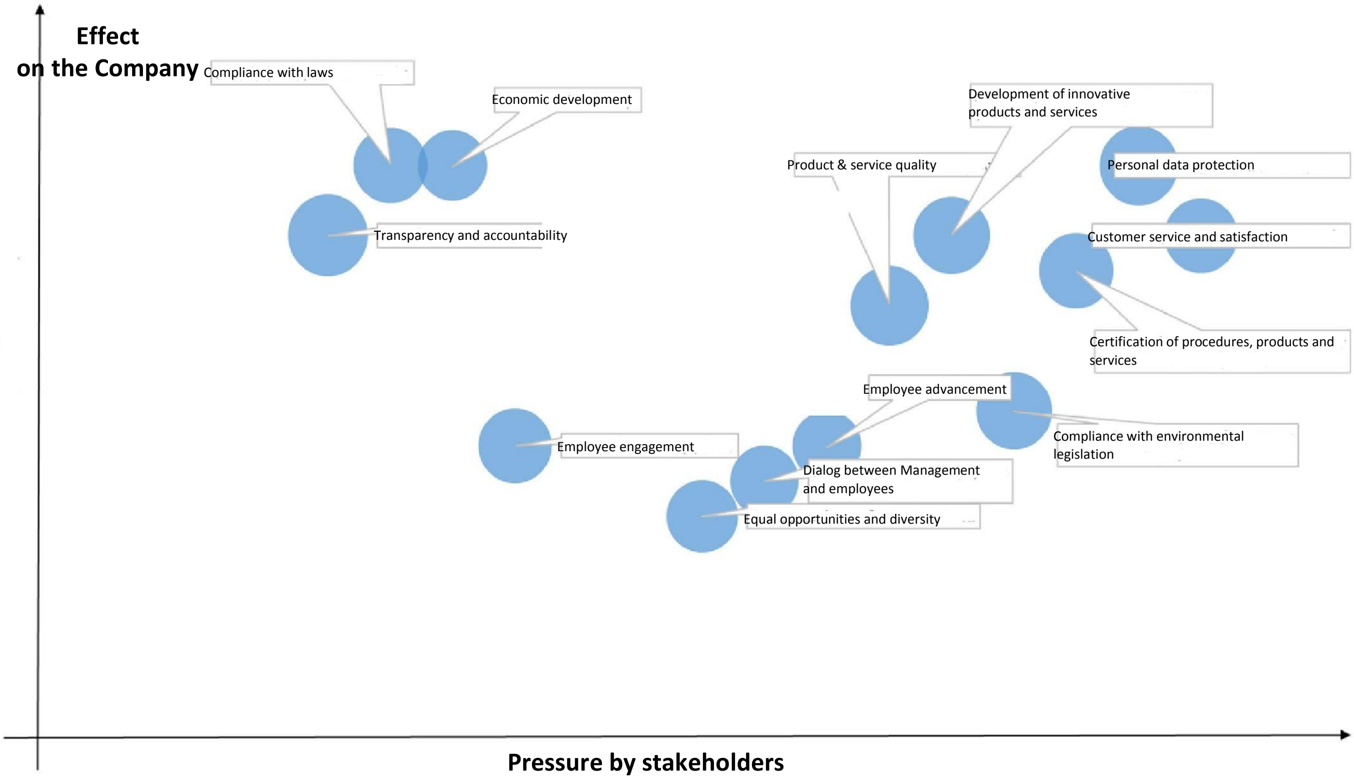
abstract from the Professional Behavior Policy

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:

SingularLogic Material Aspects



The vertical axis refers to the effect of material aspects on the Company's operation.
The horizontal axis refers to the pressure exerted by stakeholders on the Company in relation to such aspects.

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 society in general and, thus, has elaborated a corporate governance framework which includes:

1. management bodies with clear roles, responsibilities 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 thirteen categories. In 2019, the total number of suppliers was 704. Domestic suppliers are 627 and account for 89.06% and international suppliers are 77 and account for 10.94%.

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.
- We utilized new technological achievements and incorporate them in our products and services to the benefit of our customers.

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 quality, availability and reliability of its offered services;
3 Promptly respond to Customer requests within agreed time frames;
4 Develop long-standing added-value relationships with our customers.

An IT Service Management System (ITSMS) supporting ISO 20001 has gone 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.

The Company takes steps to improve management systems, updates and, by extension, improves its procedures and policies which are uploaded on the new intranet with various levels of access and usefulness-based structure, thus securing its use and briefing of each employee.

Goal setting for 2020-2021

Our goals for the years to come are:

- To continue to integrate the Quality Management Systems
- To expand the scope of ISO 27001
- To expand the scope of ISO 20000

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, nationality, 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). Employment data involving SingularLogic S.A. and the Group for the last two years are as follows:

Company:

Employees/Gender	2018			2019		
	Men	Women	Total	Men	Women	Total
Total employees per gender	**329**	**160**	**489**	**288**	**149**	**437**
Permanent employees	324	158	482	287	149	436
Seasonal employees	5	2	7	1	0	1

Group:

Employees / gender	2018			2019		
	Men	Women	Total	Men	Women	Total
Total employees per gender	**380**	**197**	**577**	**335**	**185**	**520**
Permanent employees	375	194	569	334	184	518
Seasonal employees	5	3	8	1	1	2

Company:

Employees' age distribution 2019			
	<30	30-50	51+
Men	36	178	74
Women	11	111	27
Sub-totals	**47**	**289**	**101**

Group:

Employees' age distribution 2019			
	<30	30-50	51+
Men	38	215	83
Women	13	138	33
Sub-totals	**51**	**353**	**116**

100% of the employees are covered by employment contract whereas 99.4% has signed a full-time employment contract and 0.6% a part-time employment contract.

Company:

Employment contract	2018			2019		
	Attica	Rest of Greece	Total	Attica	Rest of Greece	Total
Open-ended	441	41	482	397	39	436
Fixed-term	6	1	7	1	0	1
Total	**447**	**42**	**489**	**399**	**39**	**437**

Group:

Employment contract	2018				2019			
	Attica	Rest of Greece	Other EU countries	Total	Attica	Rest of Greece	Other EU countries	Total
Open-ended employment contract	501	41	27	569	455	39	24	518
Fixed term employment contract	7	1	0	8	2	0	0	2
Total	**508**	**42**	**27**	**577**	**457**	**39**	**24**	**520**

Company:

Total hirings per age and geographical area 2019			
	<30	30-50	51+
Attica	21	42	5
Rest of Greece	0	5	0
Sub-totals	**21**	**47**	**5**

Group:

Total hirings per age and geographical area 2019			
	<30	30-50	51+
Attica	21	48	5
Rest of Greece	0	5	0
Other EU countries	0	0	0
Sub-totals	**21**	**53**	**5**

Company:

Hirings/Exits	2018	2019
Hirings	78	73
Exits (e.g. retirement, contract expiration)	108	125

Group:

Hirings/Exits	2018	2019
Hirings	91	79
Exits (e.g. retirement, contract expiration)	123	136

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 applicable.

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 2019, 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.
- Bazaar: Accommodation of various NGOs in the context of an established event during Christmas and Easter holidays, dedicating a specific area to bazaars of significant social importance in Athens and Thessaloniki premises.
- 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 2019, two groups consisting of corporate employees, SingularLogic's Basketball team and Theater Group, carried on their activities. 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 13 educational institutes to enhance the quality of education under real conditions.
- Provision of 2 PCs to meet the needs of the 2nd kindergarten of Rafina, thus contributing to the efforts of the Association of Teachers and the Association of Parents and guardians to the school's operation, especially after the disastrous fire that ravaged the area in 2018.
- Purchase of corporate Christmas cards corresponding to an amount allocated to NGOs. In 2019, as also in the two last years (2017 & 2018), SingularLogic chose THE SMILE OF CHILDREN.

Goal setting for 2020-2021

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

- To further capitalize on remote work
- 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 raise awareness about further nurturing an environment of equal opportunities
- To develop the talents of our people and focus on innovation through training programs in new technologies

SingularLogic's environmental performance indicators

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 2019 include:

- Paper/carton (total weight: 7,230 kg) was recycled. The greatest part of the recycled paper quantity arose from the preparations for the 2019 elections. Preventive maintenance inspections of buildings continued.
- The Company recycled old office equipment (2,410 kg).

SingularLogic's environmental performance indicators

Electricity consumption (total and special consumption per day)

**Electricity consumption quantities for 2019 have registered an increase due to the Company's higher operating needs involving the elections of 2019*

Electricity consumption* (in KWh)	2018	2019	%	Special electricity consumption (KWh/day)	2018	2019	%
Building A	972,413	1,019,336	5%	Building A	2,664	2,793	5%
Building B	124,123	118,539	-4%	Building B	340	324.76	-4%
TOTAL	**1,096,536**	**1,137,875**	**4%**	**TOTAL**	**3,004**	**3,117**	**4%**

Water consumption* (total and special consumption per day)

Water consumption in m^3	2018	2019
Water consumption (in lt)	2,302	2,040
Special water consumption (lt/day)	6	5.6

**water consumption quantities for 2019 are reduced due to consumption decrease actions.*

Waste management

Waste in kilograms (kg)	2018	2019	Way of management
Paper/Paperboard	890	7,230	Recycling
Toner/ink	204	204.10	Reuse
Batteries	113	80	Recycling (AFIS)
Electronic and electric equipment	109	125	Recycling (through licensed partners)
Secure paper destruction	66	90	Recycling

**the quantities of materials for recycling continue to be at high levels.*

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:

- 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 third Non-Financial Report of SingularLogic and concerns the period that ended on 31/12/2019 (from 01/01/2019 to 31/12/2019), 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.

N. Kifisia, 01/06/2020

The Chairman & Managing Director
Ioannis Theodoropoulos

C. Financial Statements

1 Income Statement

Income Statement		THE GROUP		THE COMPANY	
(amounts in €)	**Note**	**31/12/2019**	**31/12/2018**	**31/12/2019**	**31/12/2018**
Sales	12	**46,948,570**	**41,506,840**	**41,527,321**	**37,115,329**
Cost of Goods Sold	13.26	(35,596,704)	(31,606,728)	(32,284,849)	(29,013,718)
Gross Profit		**11,351,866**	**9,900,113**	**9,242,472**	**8,101,612**
Other operating income	13.27	4,723,641	4,442,000	4,210,582	4,191,674
Distribution expenses	13.26	(6,660,843)	(6,920,790)	(5,609,401)	(5,756,353)
Administrative expenses	13.26	(6,659,535)	(6,259,372)	(5,360,202)	(5,028,835)
Other operating expenses	13.27	(1,640,694)	(1,430,827)	(1,992,281)	(1,582,669)
Operating results		**1,114,435**	**(268,877)**	**491,171**	**(74,572)**
Financial income	13.28	361,250	7,002	369,261	18,225
Financial expenses	13.28	(3,091,786)	(3,406,574)	(2,988,268)	(3,327,916)
Other financial results	13.29	(20,065,200)	(2,670,881)	(20,143,447)	(9,580)
Profits / (losses) before tax		**(21,681,301)**	**(6,339,330)**	**(22,271,284)**	**(3,393,843)**
Income Tax	13.30	(635,516)	(897,212)	(548,352)	(813,750)
Profits / (losses) net of tax		**(22,316,817)**	**(7,236,542)**	**(22,819,635)**	**(4,207,593)**
Period profit attributable to:					
Parent company owners		(22,304,608)	(7,169,892)	(22,819,635)	(4,207,593)
Non-controlling interests		(12,209)	(66,650)	-	-
		(22,316,817)	**(7,236,542)**	**(22,819,635)**	**(4,207,593)**

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

2 Statement of Comprehensive Income

	THE GROUP		THE COMPANY	
(amounts in €)	**31/12/2019**	**31/12/2018**	**31/12/2019**	**31/12/2018**
Profit after taxes	**(22,316,817)**	**(7,236,542)**	**(22,819,635)**	**(4,207,593)**
Other comprehensive income				
Amounts not reclassified to the Income Statement during subsequent periods:				
Reassessment of liability for employee benefits	(19,211)	41,901	(4,159)	55,112
Deferred tax on reassessment of liability for employee benefits	4,611	(12,151)	998	(15,983)
Deferred taxes on actuarial gains/(losses) due to change in tax rate	21,826	87,305	20,567	82,270
Amounts reclassified to the Income Statement during subsequent periods:				
FX differences of foreign operations conversion	(1,539)	212	-	-
Other comprehensive income for the period net of tax	***5,686***	***117,267***	***17,407***	***121,399***
Consolidated comprehensive income for the period	**(22,311,131)**	**(7,119,275)**	**(22,802,229)**	**(4,086,194)**
Consolidated comprehensive income for the period attributable to:				
Parent company owners	(22,290,415)	(7,051,872)	(22,802,229)	(4,086,194)
Non-controlling interests	(20,716)	(67,404)	-	-

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

SingularLogic

3 Statement of Financial Position

	Note	THE GROUP		THE COMPANY	
ASSETS		**31/12/2019**	**31/12/2018**	**31/12/2019**	**31/12/2018**
Non-current assets					
Tangible assets	13.1	984,203	1,209,042	905,533	1,113,811
Right-of-use assets	13.2	1,401,634	-	1,096,464	-
Goodwill	13.4	31,705,844	51,705,844	31,636,150	51,636,150
Intangible assets	13.3	19,552,771	18,495,928	18,698,000	17,657,722
Investments in Subsidiaries	13.5	-	-	1,203,902	1,300,865
Investments in associates	13.6	-	-	-	-
Deferred tax assets	13.13	1,513,567	1,531,848	1,429,370	1,461,721
Other financial assets	13.8	59,932	59,932	59,932	59,932
Other non-current assets	13.7	177,047	282,779	567,689	178,899
		55,394,998	**73,285,372**	**55,597,039**	**73,409,099**
Current Assets					
Inventories	13.9	508,788	608,043	465,467	550,594
Customers and other trade receivables	13.10	13,688,512	14,369,613	14,228,094	14,652,804
Other receivables	13.11	1,996,495	1,692,320	1,675,148	2,119,902
Current assets	13.12	1,540,896	2,132,929	1,418,584	2,057,569
Cash and cash equivalents	13.13	3,772,133	1,705,465	2,413,086	517,776
		21,506,825	**20,508,370**	**20,200,379**	**19,898,647**
Total assets		**76,901,823**	**93,793,742**	**75,797,417**	**93,307,746**
SHAREHOLDERS' EQUITY AND LIABILITIES					
Share capital	13.17.1	32,682,000	900,000	32,682,000	900,000
Share Premium	13.17.1	13,571,728	13,571,728	13,571,728	13,571,728
Other reserves	13.17.2	104,326	104,326	73,296	73,296
Reorganization Balance Sheet Reserves	13.17.2	(26,899)	(25,360)	-	-
Results carried forward		(34,790,857)	(12,152,380)	(32,150,758)	(8,998,927)
Equity attributed to parent company shareholders		**11,540,298**	**2,398,313**	**14,176,266**	**5,546,097**
Non-controlling interests		196,111	234,153	-	-
Total equity		**11,736,409**	**2,632,466**	**14,176,266**	**5,546,097**
Long-term liabilities					
Long-term borrowing	13.20	30,286,058	-	30,156,058	-
Long-term lease liabilities	13.21	561,778	5,850	414,436	-
Deferred tax liabilities	13.13	2,709,087	2,214,588	2,719,494	2,225,059
Post-employment benefit obligations	13.18	1,802,580	1,821,972	1,601,071	1,647,906
Other long-term liabilities	13.19	107,591	197,602	-	-
Total long-term liabilities		**35,467,094**	**4,240,012**	**34,891,059**	**3,872,965**
Short-term liabilities					
Trade and other payables	13.23	8,405,634	8,025,420	8,189,816	7,558,700
Current tax liabilities	13.24	95,062	46,649	-	-
Short-term loan liabilities	13.20	5,675,289	62,714,790	4,438,342	61,415,170
Short-term lease liabilities	13.21	887,287	2,493	719,170	-
Other short-term liabilities	13.25	13,796,244	15,207,065	12,548,247	13,994,253
Short-term Provisions	13.22	838,803	924,847	834,518	920,561
Total short-term liabilities		**29,698,320**	**86,921,264**	**26,730,093**	**83,888,684**
Total liabilities		**65,165,414**	**91,161,276**	**61,621,151**	**87,761,649**
Total equity and liabilities		**76,901,823**	**93,793,742**	**75,797,417**	**93,307,746**

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

4 Consolidated Statement of Changes in Equity

		Equity attributed to parent company shareholders							
		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	13.17	**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**

	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 31.12.2018	**900,000**	**13,571,728**	**104,326**	**(25,360)**	**(12,152,380)**	**2,398,313**	**234,153**	**2,632,466**
Share capital increase	31,782,000	-	-	-	-	31,782,000	-	**31,782,000**
Share capital increase expenses					(349,602)	(349,602)	-	**(349,602)**
Distributions	-	-	-	-	-	-	(17,325)	**(17,325)**
Transactions with owners	**32,682,000**	**13,571,728**	**104,326**	**(25,360)**	**(12,501,982)**	**33,830,711**	**216,827**	**34,047,539**
Net results for the period 01.01 – 31/12/2019					(22,304,608)	(22,304,608)	(12,209)	**(22,316,817)**
Net results for the period (a)	**-**	**-**	**-**	**-**	**(22,304,608)**	**(22,304,608)**	**(12,209)**	**(22,316,817)**
Reassessment of liability for employee benefits	-	-	-	-	(7,241)	(7,241)	(11,970)	**(19,211)**
Deferred tax on reassessment of liability for employee benefits	-	-	-	-	1,148	1,148	3,463	**4,611**
Deferred taxes on actuarial gains/(losses) due to change in tax rate	-	-	-	-	21,826	21,826	**-**	**21,826**
Foreign currency differences	-	-	-	(1,539)	-	(1,539)	-	**(1,539)**
Other comprehensive income for the period (b)	**-**	**-**	**-**	**(1,539)**	**15,733**	**14,194**	**(8,507)**	**5,686**
Consolidated comprehensive income for the period (a) + (b)	**-**	**-**	**-**	**(1,539)**	**(22,288,875)**	**(22,290,415)**	**(20,716)**	**(22,311,131)**
Balance of Equity on 31/12/2019	**32,682,000**	**13,571,728**	**104,326**	**(26,899)**	**(34,790,857)**	**11,540,298**	**196,111**	**11,736,409**

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

5 Statement of Changes in Equity of Parent Company

		Share capital	Difference from share premium issue	Other reserves	Balance carried forward	Total equity
Balance of Equity on 31.12.2017	13.17	**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**

	Share capital	Difference from share premium issue	Other reserves	Balance carried forward	Total equity
Balance of Equity on 31.12.2018	**900,000**	**13,571,728**	**73,296**	**(8,998,927)**	**5,546,097**
Share capital increase	31,782,000	-	-	-	31,782,000
Share capital increase expenses				(349,602)	(349,602)
Transactions with owners	**32,682,000**	**13,571,728**	**73,296**	**(9,348,529)**	**36,978,495**
Net results for the period 01.01 – 31/12/2019				(22,819,635)	**(22,819,635)**
Net results for the period (a)	**-**	**-**	**-**	**(22,819,635)**	**(22,819,635)**
Reassessment of liability for employee benefits	-	-	-	(4,159)	**(4,159)**
Deferred tax on reassessment of liability for employee benefits	-	-	-	998	**998**
Deferred taxes on actuarial gains/(losses) due to change in tax rate	-	-	-	20,567	**20,567**
Other comprehensive income for the period (b)	**-**	**-**	**-**	**17,407**	**17,407**
Consolidated comprehensive income for the period (a) + (b)	**-**	**-**	**-**	**(22,802,229)**	**(22,802,229)**
Balance of Equity on 31/12/2019	**32,682,000**	**13,571,728**	**73,296**	**(32,150,758)**	**14,176,266**

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

6 Cash Flow Statement

(amounts in €)	Note	THE GROUP 31/12/2019	THE GROUP 31/12/2018	THE COMPANY 31/12/2019	THE COMPANY 31/12/2018
Cash flows from operating activities	13.31	**4,429,569**	**487,020**	**3,751,258**	**225,019**
Interest paid		(1,583,967)	(2,130,806)	(1,510,098)	(2,058,881)
Income tax paid		(47,994)	(23,671)	-	-
Net cash flows from operating activities		**2,797,608**	**(1,667,457)**	**2,241,159**	**(1,833,862)**
Cash flows from investing activities					
Purchases of tangible assets	13.1	(1,162,702)	(329,569)	(1,141,353)	(265,655)
Purchases of intangible assets	13.2	(2,333,068)	(1,847,476)	(2,134,073)	(1,676,739)
Gains on sale of tangible assets		33,365	4,150	32,300	4,147
Gains on sale of intangible assets		41,177	40,102	41,177	40,102
Participation in subsidiary's share capital increase		-	-	-	(5,000)
Sale of financial assets at fair value through P&L		-	-	-	-
Interest received		9,732	3,994	7,817	2,683
Dividends earned		-	-	17,675	8,585
Net cash flows from investing activities		**(3,411,495)**	**(2,128,799)**	**(3,176,457)**	**(1,891,877)**
Cash flows from financing activities					
Issue of ordinary shares		4,500,000	-	4,500,000	
Share capital increase expenses		(31,782)	(626,728)	(31,782)	(626,728)
Dividends paid to non-controlling interests		(17,355)	(12,724)	-	-
Loans assumed		12,327	2,139,457	-	2,139,457
Loans received from affiliated parties		600,000	3,750,000	600,000	3,750,000
Loans paid		(1,363,182)	(1,532,283)	(1,412,832)	(1,524,000)
Repayment of financial lease liabilities		(1,019,453)	-	(824,779)	-
Net cash flows from financing activities		**2,680,555**	**3,717,721**	**2,830,607**	**3,738,729**
Net (decrease) / increase in cash and cash equivalents		**2,066,668**	**(78,535)**	**1,895,309**	**12,991**
Cash and cash equivalents at the beginning of the period		**1,705,465**	**1,784,000**	**517,776**	**504,786**
Cash and cash equivalents at the end of the period		**3,772,133**	**1,705,465**	**2,413,086**	**517,776**

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 at 3, Achaias St. & Trizinias St., Nea Kifisia and its website is www.singularlogic.eu.

The accompanying financial statements of 31 December 2019 were approved by the Board of Directors on 01/06/2020 and are subject to final approval by the Shareholders' General Meeting.

8 Business Activities

SingularLogic operates in the following sectors:

- Research, 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 on 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, which has a substantial number of partners, thus ensuring the distribution and support of its products even in the remotest regions of Greece. The distribution network aims at promoting 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 consolidated and separate financial statements of 31 December 2019 that cover the reporting period from 1st January to 31 December 2019, 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 2019. 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 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 31/12/2019 both the Group and the Company report a negative working capital since the short-term liabilities are in excess of the current assets by €8,191 thousand and €6,530 thousand respectively.

On 31/12/2019 the Group's loans amount to €35,961 thousand, out of which €5,675 thousand concern short-term borrowing while the remainder of €30,286 thousand refers to long-term borrowing. Likewise, the Company's loans amount to €34,594 thousand, out of which €4,438 thousand concern short-term borrowing while the remainder of €30,156 thousand refers to long-term borrowing. Long-term borrowing includes bond loans of €24,436 thousand and €24,306 thousand for the Group and the Company, respectively.

The decrease in the Company's bond loans compared to last year is due, on the one hand, to the repayment of €1,000 thousand and, on the other hand, to the capitalization made in December 2019 of €26,008 thousand from the shareholder MARFIN INVESTMENT GROUP HOLDINGS S.A. which had acquired bonds of the respective amount (see note 13.17). The maturity of the Group's and the Company's long-term borrowing is set on 31/01/2021 for an amount of €30,156 thousand while the Group's remainder of €130 thousand is set on 30/04/2021 (see note 13.20).

It is noted that the Company's total equity becomes less than 1/2 of the share capital and, therefore, the conditions of article 119 paragraph (4) of Law 4548/2018 are met, based on which the Board of Directors is obliged to convene the General Meeting of shareholders to take appropriate measures.

The Company's Management is in discussions with the creditor banks in order to restructure these loans. The aim is to achieve the extension of the loans' repayment period and to form financial indicators, harmonised 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. Currently, the risks presented by Management in relation to the COVID-19 pandemic must be taken into account.

9.2 Changes to Accounting Policies

The accounting policies used in the preparation of 2018 Financial Statements applied to these Financial Statements, following adaptation of 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 of 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 01.01.2019 or thereafter.

The following new Standards, Interpretations and amendments of Standards have been published by the International Accounting Standards Board (IASB), have been adopted by the European Union and their application is mandatory as of 01.01.2019 or thereafter.

- 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 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, the lessee is required to recognize assets and liabilities arising from a lease. The effect of the standard's application within the Group and the Company is described in note 9.2.3.

- IFRIC 23 "Income Tax Treatment Uncertainty" (effective for annual periods starting on or after 01/01/2019)

In June 2017, the IASB issued a new Interpretation, IFRIC 23. IAS 12 "Income Taxes" specifies the accounting treatment 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 new amendment has no effect on the consolidated or separate financial statements.

- 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 at 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. Based on 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 amendments have no impact on the consolidated or standalone financial statements.

- 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 these 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 amendments have no impact on the consolidated or standalone financial statements.

- 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 of some standards and is part of the annual improvement in IFRS. 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 starting on or after January 1st, 2019. The amendments have no impact on the consolidated or standalone financial statements.

- 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 amendments have no impact on the consolidated or standalone financial statements.

9.2.2 New Standards, Interpretations, Revisions and Amendments of existing Standards which are not yet in effect or have not been adopted by the EU

The following new Standards, Interpretations 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.

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

In March 2018, the IASB revised the Financial Reporting Conceptual 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 Conceptual 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 Conceptual 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 and the Company will consider the effect of the aforementioned on the Financial Statements. The above provisions have been adopted by the European Union from 01.01.2020.

- Amendments to the Financial Reporting Conceptual 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 and the Company will consider the effect of the aforementioned on the Financial Statements. The above provisions have been adopted by the European Union from 01/01/2020.

- 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 and the Company will consider the effect of the aforementioned on the Financial Statements. The above provisions have been adopted by the European Union from 01/01/2020.

- Amendments to IFRS 9, IAS 39 and IFRS 7: “Interest rate benchmark reform” (effective for annual periods starting on or after 01/01/2020)

In September 2019, the IASB issued amendments to specific hedge accounting requirements to provide relief from potential effects of the uncertainty caused by the interest rate benchmark reform. The amendments are designed to support the provision of useful financial information by companies during the period of uncertainty arising from the phasing out of interest-rate benchmarks such as interbank rates. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties. The Group and the Company will consider the effect of the aforementioned on the Financial Statements. The above provisions have been adopted by the European Union from 01/01/2020.

- 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 and the Company will consider the effect of the aforementioned on the Financial Statements though none is expected. The above provisions have been adopted by the European Union from 01.01.2020.

- 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 and the Company will consider the effect of the aforementioned on their Financial Statements though none is expected. The above provisions have not been adopted by the European Union.

- Amendments to IAS 1 “Classification of Liabilities as Short –term or Long-Term” (applying to annual periods starting on or after 01/01/2022)

In January 2020, the IASB issued amendments to IAS 1 which affect the requirements involving the presentation of liabilities. More specifically, the amendments clarify one of the criteria that classify a liability as long term should be based on an entity’s right to defer settlement by at least twelve months after the reporting period. The amendments: a) clarify that the right of an entity to defer settlement should be in place on the date of the reporting period; b) clarify that classification of liabilities is unaffected by Management intentions or expectations about whether an entity will exercise its right to defer settlement of a liability; c) specify that borrowing conditions affect classification; and d) clarify requirements about the classification of liabilities an entity will or may settle by issuing own equity instruments.

The Group and the Company will consider the effect of the aforementioned on their Financial Statements. The above provisions have not been adopted by the European Union.

9.2.3 Effect of adoption of IFRS 16

IFRS 16 introduces a single lease accounting model in financial statements according to which lessees recognize right-of-use assets and lease liabilities in the Statement of Financial Position on the date fixed assets become available for use.

IFRS 16 "Leases" replaces existing accounting treatment based on IAS 17 "Leases", IFRIC 4 "Determining whether an Arrangement contains a Lease", SIC 15 "Operating Leases—Incentives" and SIC 27 "Evaluating the Substance of Transactions Involving the Legal Form of a Lease". The new Standard introduces a single accounting model for all leases with certain exceptions while providing specific practical expedients as analyzed below. The Group implemented the new Standard as of 1 January 2019 by applying the modified retroactive approach, recognizing the cumulative effect of initial application to the opening balance of Equity on the date of initial application. Therefore, the comparative items in the financial position as at 31 December have not been restated and are presented in accordance with IAS 17 provisions.

The Group and the Company made use of the following practical expedients as stipulated in IFRS 16:

- With respect to the designation of leases, the Group applied IFRS 16 requirements only to those contracts that were in effect on 1 January 2019 and had been recognized as leases, based on IAS 17 and IFRIC 4.
- Leases with a lease term of less than 12 months and leases of low-value assets were exempted from the application of the new Standard.
- A single discount rate was used for each category of leases with similar characteristics (such as the lease term, the nature of the fixed asset etc.).
- Initial direct costs for the measurement of the right-of-use assets at the date of initial application were excluded.
- Contracts that contain options to extend or terminate the lease were assessed using hindsight.

The categories of fixed assets related to recognized right-of-use assets are described in detail in note 13.2.

Effect of adoption of IFRS 16

The effect of adjustments on the Group's and the Company's financials, as a result of the application of new IFRS 16 "Leases", is analyzed in the table below. Any items that have not been affected by the changes brought about by the new Standard are not included in the table.

Amounts in €	THE GROUP	THE COMPANY
Total lease liabilities on 1 January 2019	**2,438,746**	**1,953,422**
Plus: Prepaid lease liabilities on 1 January 2019	-	-
(Less): Finance lease liabilities on 31 December 2018	-	-
Total right-of-use assets recognized on 1 January 2019	**2,438,746**	**1,953,422**
Weighted average discount rate on 1 January	**5.86%**	**5.86%**
Valuation at present value on 1 January 2019	2,438,746	1,953,422
Plus finance lease liabilities on 31 December 2018	-	-
Total lease liabilities on 1 January 2019	**2,438,746**	**1,953,422**

Amounts in €	THE GROUP	THE COMPANY
Long-term lease liabilities	913,609	743,746
Short-term lease liabilities	1,525,137	1,209,676
Total lease liabilities on 1 January 2019	**2,438,746**	**1,953,422**

The reconciliation of commitments from operating leases on 31/12/2018, as disclosed in note 13.1 to the annual financial statements of 2018, with the lease liabilities recognized on 01/01/2019, is as follows:

Amounts in €	THE GROUP	THE COMPANY
Operating lease commitments disclosed on 31 December 2018	**2,740,691**	**2,319,049**
(Less): Leases beyond scope of IFRS 16	-	-
(Less): Short-term leases	(188,306)	(170,405)
(Less): Leases of low-value assets	-	-
Plus/(less): Other adjustments	11,175	(21,114)
Total	**2,563,560**	**2,127,530**

Following the adoption of IFRS 16, the Group recognized depreciation and financial expenses instead of lease expenses. The Group recognized depreciation of €953 thousand and financial expenses of €113 thousand while the respective amounts recognized by the Company amount to €773 thousand and €89 thousand for the annual period ended on 31/12/2019. The application of IFRS 16 resulted in a positive effect on the Group's and the Company’s earnings before interest, taxes, depreciation and amortization (EBITDA) by €985 thousand and €825 thousand, respectively, for the annual period ended on 31/12/2019.

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 position 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 seven-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 13.4 of the Financial Statements.

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

The Group performs impairment tests on goodwill and 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 these 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 fixed 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 31/12/2019 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 estimation of the different risks to which the instrument is exposed such as business risk, liquidity risk etc., and the estimation 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 Expected Credit Losses (ECL)**

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 largely on 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 position on 31/12/2019. 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 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 13.36).

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 summarized 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 standalone 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 31/12/2019 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 standalone 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 Contracts with Customers

Contracts with customers 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 contract with customers 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 contractual 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 related 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 is estimated up to 10 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 Group 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	Up to 10 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 Group 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 each 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 operating 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. With the exception of 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 except for 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:

o 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),

- o 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),
- o 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, except for 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 fixed 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 the preparation of the consolidated Cash Flow Statements, 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.

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 2019, 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 as 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 31/12/2019, Company shareholders were:

1. “MARFIN INVESTMENT GROUP HOLDINGS S.A.” by 98.99%

2. “TOWER TECHNOLOGY HOLDINGS (OVERSEAS) LTD” by 0.62%

3. “GLOBAL EQUITY INVESTMENTS S.A.” by 0.39%.

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

On 31/12/2019 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 is presented below.

Note	Company Name	Country of establishment	Type of participation	% of participation 31.12.19	Consolidation method on 31.12.19	% of participation 31.12.18	Consolidation method on 31.12.18
	SINGULARLOGIC S.A.	Greece	Parent Company				
	PCS S.A.	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		-	Full	68.80%	Full
	METASOFT S.A.	Greece	Indirect	-	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	100.00%	-
	SENSE ONE TECHNOLOGIES S.A.	Greece	Direct	50.99%	Full	50.99%	Full
9	SINGULARLOGIC MARITIME SERVICES LTD	Cyprus	Indirect	-	Full	100.00%	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 LTD	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 31/12/2019.

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 31/12/2019. TASIS – CONSULTING S.A. was not included in the consolidation on 31/12/2019.

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 31/12/2019.

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 31/12/2019. Modular S.A. was not included in the consolidation on 31/12/2019.

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 31/12/2019. These companies were not included in the consolidated on 31/12/2019.

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 31/12/2019. CHERRY S.A. was not included in the consolidation on 31/12/2019.

7. SINGULARLOGIC B.V. was put into liquidation on 31/12/2019.

8. METASOFT S.A. was deleted from the General Commercial Registry on 25.11.2019 following entry in the General Commercial Registry of the minutes of General Meeting (identifier 1986252), which approved the balance sheet upon conclusion of liquidation.

9. SINGULARLOGIC MARITIME SERVICES LTD was deleted from the Registrar of Companies in Cyprus on 31/12/2019.

12 Additional information on business sectors

The Group's activities are:

- Research, 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 segment were as follows:

Breakdown of sales per segment	**31/12/2019**	**31/12/2018**
Amounts in €		
Software licenses	2,356,348	3,167,950
Maintenance	14,789,232	15,344,575
Services	22,581,198	17,711,971
Equipment	7,221,792	5,282,344
Total	**46,948,570**	**41,506,840**

Geographical information reporting:

The Group primarily operates in Greece where it has its registered office while also operating in European countries and Other Countries, which account for 5% and 2% of the consolidated turnover.

01/01 – 31/12/2019	Greece	European countries	Other countries	Total
Income from clients	43,696,841	2,322,630	929,099	**46,948,570**
Non-current assets	53,611,512	209,988	-	**53,821,500**
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**

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

13 Notes to the Financial Statements

13.1 Tangible assets

On 31/12/2019, the tangible assets of the Group and the Company were as follows:

	THE GROUP				
(amounts in €)	Buildings and facilities	Vehicles	Machinery	Furniture and other equipment	Total
Book value on 31 December 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 December 2018	**646,222**	**11,252**	**13,697**	**537,873**	**1,209,042**
Gross book value	3,046,734	174,510	608,981	7,360,562	**11,190,786**
Accumulated depreciation	(2,617,954)	(169,640)	(601,447)	(6,817,542)	**(10,206,583)**
Book value on 31 December 2019	**428,781**	**4,870**	**7,534**	**543,020**	**984,203**

(amounts in €)	Buildings and facilities	Vehicles	Machinery	Furniture and other equipment	Total
Book value on 31 December 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 December 2018	**646,222**	**11,252**	**13,697**	**537,873**	**1,209,042**
Additions	12,722	-	2,245	1,147,735	**1,162,702**
Other transfers	-	(496)	-	-	**(496)**
Acquisition cost of disposals/ revoked products	-	(19,134)	(4,860)	(66,140)	**(90,135)**
Depreciation of disposals/ revoked products	-	19,134	4,860	42,538	**66,532**
Reclassifications	4,246	(9,936)	(86,349)	(116,309)	**(208,348)**
Depreciation	(230,271)	(4,065)	(3,909)	(1,122,512)	**(1,360,757)**
Other transfers	(4,138)	8,115	81,892	119,835	**205,704**
Net foreign exchange differences	-	-	(41)	-	**(41)**
Book value on 31 December 2019	**428,781**	**4,870**	**7,534**	**543,020**	**984,203**

	THE COMPANY				
	Buildings and facilities	Vehicles	Machinery	Furniture and other equipment	Total
Book value on 31 December 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 December 2018	**616,313**	**3,250**	**4,602**	**489,646**	**1,113,811**
Gross book value	2,526,060	9,386	98,635	5,487,974	**8,122,054**
Accumulated depreciation	(2,118,206)	(6,775)	(94,903)	(4,996,637)	**(7,216,521)**
Book value on 31 December 2019	**407,854**	**2,611**	**3,732**	**491,337**	**905,533**

	Buildings and facilities	Vehicles	Machinery	Furniture and other equipment	Total
Book value on 31 December 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 December 2018	**616,313**	**3,250**	**4,602**	**489,646**	**1,113,811**
Additions	12,722	-	-	1,128,631	**1,141,353**
Acquisition cost of disposals/ revoked products	-	-	-	(66,140)	**(66,140)**
Depreciation of disposals/ revoked products	-	-	-	42,538	**42,538**
Depreciation	(221,182)	(639)	(870)	(1,103,338)	**(1,326,029)**
Book value on 31 December 2019	**407,854**	**2,611**	**3,732**	**491,337**	**905,533**

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 were as follows:

THE GROUP				
01/01-31/12/2019	**Up to 1 year**	**From 2 to 5 years**	**After 5 years**	**Total**
Buildings	54,400	-	-	**54,400**
Vehicles	8,246	-	-	**8,246**

THE COMPANY				
01/01-31/12/2019	**Up to 1 year**	**From 2 to 5 years**	**After 5 years**	**Total**
Buildings	48,400	-	-	**48,400**
Vehicles	4,703	-	-	**4,703**

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 operating lease rental fees which were recognized as expenses during the period 01.01-31/12/2019 for the Group and the Company amount to €280,735 (01.01-31.12.2018: €1,356,729) and €255,183 (01.01-31.12.2018: €1,215,063). The Company's building leases have a 5- and 10-year term and the Group's vehicle leases a 4-year term.

13.2 Right-of-use assets

	THE GROUP		
(amounts in €)	**Rights to use buildings and facilities**	**Rights to use vehicles**	**Total**
Book value on 1/1/2019	**1,630,680**	**808,067**	**2,438,746**
Accumulated depreciation	-	-	-
Net book value on 1/1/2019	**1,630,680**	**808,067**	**2,438,746**
Additions	-	-	**-**
Acquisition cost - termination of lease contracts	(76,916)	(35,119)	**(112,036)**
Depreciation of the period	(587,848)	(365,215)	**(953,063)**
Depreciation - termination of lease contracts	17,889	10,097	**27,986**
Book value on 31/12/2019	1,553,763	772,947	**2,326,711**
Accumulated depreciation	(569,958)	(355,118)	**(925,076)**
Net book value on 31/12/2019	**983,805**	**417,829**	**1,401,634**

	THE COMPANY		
(amounts in €)	**Rights to use buildings and facilities**	**Rights to use vehicles**	**Total**
Book value on 1/1/2019	**1,297,855**	**655,567**	**1,953,422**
Accumulated depreciation	-	-	-
Net book value on 1/1/2019	**1,297,855**	**655,567**	**1,953,422**
Additions	-	-	-
Acquisition cost - termination of lease contracts	(76,916)	(35,119)	**(112,036)**
Depreciation of the period	(468,082)	(304,826)	**(772,908)**
Depreciation - termination of lease contracts	17,889	10,097	**27,986**
Book value on 31/12/2019	1,220,938	620,447	**1,841,386**
Accumulated depreciation	(450,192)	(294,730)	**(744,922)**
Net book value on 31/12/2019	**770,746**	**325,718**	**1,096,464**

13.3 Intangible assets

The largest part of the Group's intangible assets pertains to the brand name 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 presented in the tables below.

On 31/12/2019 a pledge on the Company's trademarks exists.

(amounts in €)	Software	Development	Brand name	Rights	Total
	THE GROUP				
Book value on 31 December 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 December 2018	**518,696**	**5,170,494**	**12,806,739**	**-**	**18,495,928**
Gross book value	8,738,907	31,260,771	12,806,739	375,499	**53,181,916**
Accumulated depreciation	(8,204,475)	(25,049,169)	-	(375,499)	**(33,629,144)**
Book value on 31 December 2019	**534,432**	**6,211,602**	**12,806,739**	**(0)**	**19,552,771**

(amounts in €)	Software	Development	Brand name	Rights	Total
Book value on 31 December 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 December 2018	**518,696**	**5,170,494**	**12,806,739**	**-**	**18,495,928**
Additions	411,742	1,921,325	-	-	**2,333,068**
Acquisition cost of disposals	(41,177)	-	-	-	**(41,177)**
Impairment losses recognized in the Income Statement	-	(59,218)	-	-	**(59,218)**
Reclassifications	(821)	-	-	-	**(821)**
Depreciation	(354,826)	(820,999)	-	-	**(1,175,825)**
Other transfers	1,655	-	-	-	**1,655**
Net foreign exchange differences	(836)	-	-	-	**(836)**
Book value on 31 December 2019	**534,432**	**6,211,602**	**12,806,739**	**-**	**19,552,771**

THE COMPANY					
(amounts in €)	**Software**	**Development**	**Trademark**	**Rights**	**Total**
Book value on 31 December 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 December 2018	**423,545**	**4,427,438**	**12,806,739**	**-**	**17,657,722**
Gross book value	6,420,728	28,384,302	12,806,739	140,062	**47,751,831**
Accumulated depreciation	(5,969,663)	(22,944,106)	0	(140,062)	**(29,053,831)**
Book value on 31 December 2019	**451,065**	**5,440,196**	**12,806,739**	**0**	**18,698,000**

	Software	**Development**	**Trademark**	**Rights**	**Total**
Book value on 31 December 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 December 2018	**423,545**	**4,427,438**	**12,806,739**	**-**	**17,657,722**
Additions	389,067	1,745,006	-	-	**2,134,073**
Acquisition cost of disposals	(41,177)	-	-	-	**(41,177)**
Impairment losses recognized in the Income Statement	-	(59,218)	-	-	**(59,218)**
Depreciation	(320,370)	(673,030)	-	-	**(993,401)**
Book value on 31 December 2019	**451,065**	**5,440,196**	**12,806,739**	**-**	**18,698,000**

An impairment test is carried out in relation to intangible assets with limited life cycle when the events and conditions indicate that their net book value may not be fully recoverable. If the net book value of such intangible assets exceeds their recoverable value, the surplus refers to impairment loss which is recognized directly to profit or loss. Impairment of €59,218 arose during 2019.

13.4 Goodwill

The Group's goodwill on 31/12/2019 was reduced by €20,000,000 resulting to €31,705,844 compared to €51,705,844 on 31.12.2018.

13.4.1 Impairment test of goodwill and intangible assets with indefinite useful life

On 31/12/2019 an impairment test was carried out on the recognized goodwill and, by extension, on the recognized intangible assets with indefinite useful life. Goodwill and intangible assets 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 brand name 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.

13.4.2 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). The methodology applied to fix 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 7-year business plans per CGU:**

  - Business plans are prepared based on a maximum period of 7 years. Cash flows beyond 7 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 a 7-year Management-approved business plan which has included the necessary revisions so as to reflect current economic circumstances based on the reporting date, and reflect past performance, provisions of sectoral studies and other available information from external sources.

- **Perpetuity growth rate:**

Cash flows beyond 7 years are deduced by using estimates of the perpetuity growth rates, as drawn from external sources. For the year ended on 31/12/2019, the perpetuity growth rate remained fixed at 1.6% in relation 31/12/2018.

- **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 0.21%. 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 and was fixed at 3.65%.

- 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, based on the reporting date.

Below are given the main assumptions adopted by Management for the calculation of future cash flows so as to determine the value in use and test impairment of cash generating units:

Key assumptions of business plans	WACC 2019	WACC 2018	Perpetuity WACC 2019	Perpetuity WACC 2018	Perpetuity growth rate 2019	Perpetuity growth rate 2018
	8.1%	10.0%	8.1%	10.0%	1.6%	1.6%

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 on the reporting date. As regards the accounting effects of the pandemic, they cannot be considered to be an adjusting event for 2019 as they were not an established fact on the reporting date, pursuant to IAS 10. Therefore, the relevant effect will be largely reflected in the first quarter of 2020. Nevertheless, on 31/12/2019, 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 2026 and 0.5% in EBITDA margin in perpetuity; (ii) a 1% in discount rate until 2026 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 €3.1 million to €8.0 million maximum.

As regards the value in use of the brand name, 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 8.1% for the first 7 years and to 8.1% on a perpetual basis.

As regards the impairment test of internally generated software, 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 interest rate used in the pre-tax cash flow discount stands at 8.1%.

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 brand name, based on the foregoing, while the amount of impairment in relation to the Company's internally generated software and goodwill is set at €59,218 and €20,000,000.

13.5 Investments in subsidiaries

The investments in subsidiaries in the parent Company's financial statements amounted to €1,203,902 on 31/12/2019 and to €1,300,865 on 31.12.2018. In detail:

Amounts in €	2019						
Corporate name of subsidiary	**Value of participation**	**% of direct participation**	**% of indirect participation**	**% of total participation**	**Country of establishment**	**Type of participation**	**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	-	99.97%	0.03%	100.00%	ROMANIA	DIRECT	FULL
SINGULARLOGIC BULGARIA EOOD	-	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	**1,203,902**						

Amounts in €	2018						
Corporate name of subsidiary	**Value of participation**	**% of direct participation**	**% of indirect participation**	**% of total participation**	**Country of establishment**	**Type of participation**	**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	99.97%	0.03%	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**						

SUBSIDIARIES WITH SIGNIFICANT PARTICIPATION

Disclosures pursuant to IFRS 12 are as follows:

Corporate name of subsidiary	**Proportion of ownership and voting rights from non-controlling interests**		**Profits allocated to non-controlling interests**		**Accumulated non-controlling interests**	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018	31/12/2019	31/12/2018
PCS S.A.	49.5%	49.5%	126,102	29,312	342,558	242,243
SENSE ONE TECHNOLOGIES S.A.	49.01%	49.01%	(137,194)	(93,612)	(125,439)	11,801

Condensed financial figures regarding the subsidiary "PCS S.A." before eliminating intra-company transactions and balances

Amounts in €	31/12/2019	31/12/20128
Non-current assets	261,999	120,779
Current assets	1,315,544	1,024,435
Total assets	**1,577,543**	**1,145,214**
Long-term liabilities	243,446	130,573
Short-term liabilities	642,060	525,262
Total liabilities	**885,506**	**655,835**
Equity attributed to parent company owners	**349,479**	**247,137**
Non-controlling interests	**342,558**	**242,243**

Amounts in €	31/12/2019	31/12/2018
Sales	2,677,425	2,401,782
Post-tax period profit allocated to parent company owners	128,650	29,904
Post-tax period profit allocated to non-controlling interests	126,102	29,312
Period profit after taxes	**254,752**	**59,216**
Other comprehensive income for the period net of tax	(17,095)	(6,209)
Period comprehensive total income after taxes allocated to parent company owners	120,017	26,768
Period comprehensive total income after taxes allocated to non-controlling interests	117,640	26,238
Comprehensive total income for the period net of tax	**237,657**	**53,007**

Amounts in €	31/12/2019	31/12/2018
Net cash flows from operating activities	422,051	33,201
Net cash flow from investing activities	(32,168)	(69,085)
Net cash flow from financing activities	(108,259)	(21,309)
Total net cash flows	**281,624**	**(57,193)**

Condensed financial figures regarding the subsidiary "SENSE ONE TECHNOLOGIES S.A." before eliminating intra-company transactions and balances

Amounts in €	31/12/2019	31/12/2018
Non-current assets	843,195	789,424
Current assets	356,250	377,857
Total assets	**1,199,445**	**1,167,281**
Long-term liabilities	552,858	11,178
Short-term liabilities	902,532	1,132,025
Total liabilities	**1,455,390**	**1,143,202**

Equity attributed to parent company owners	(130,506)	12,278
Non-controlling interests	**(125,439)**	**11,801**

Amounts in €	**31/12/2019**	**31/12/2018**
Sales	937,256	626,617
Post-tax period profit allocated to parent company owners	(142,737)	(97,394)
Post-tax period profit allocated to non-controlling interests	(137,194)	(93,612)
Period profit after taxes	**(279,931)**	**(191,007)**
Other comprehensive income for the period net of tax	(93)	4,734
Period comprehensive total income after taxes allocated to parent company owners	(142,784)	(94,980)
Period comprehensive total income after taxes allocated to non-controlling interests	(137,240)	91,292)
Total comprehensive income for the period after tax	**(280,024)**	**(186,273)**

Amounts in €	**31/12/2019**	**31/12/2018**
Net cash flows from operating activities	340,693	(55,210)
Net cash flow from investing activities	(182,140)	(154,124)
Net cash flow from financing activities	(9,003)	190,000
Total net cash flows	**149,550**	**(19,333)**

13.6 Investments in associates

No transactions appear in Investments in associates during the years 2019 and 2018.

On 31 December 2019, the investments in the Group's affiliated entities were as follows:

Company name	**Country of establishment**	**% of participation**	**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.

13.7 Other non-current assets

On 31 December 2019, other non-current assets of the Group and the Company were as follows:

	THE GROUP		**THE COMPANY**	
(amounts in €)	**31/12/2019**	**31/12/2018**	**31/12/2019**	**31/12/2018**
Guarantees granted	168,944	190,254	157,689	178,899
Interest bearing loans to third parties	-	-	410,000	-
Other	8,103	92,525	-	-
Total other non-current assets	**177,047**	**282,779**	**567,689**	**178,899**

13.8 Other Financial Assets

Financial assets include shares of non-listed companies operating in Greece with a long-term investment horizon and amount to €59,932 on 31/12/2019 and 31/12/2018.

13.9 Inventories

On 31/12/2019 the inventories for the Group and the Company were as follows:

	THE GROUP		THE COMPANY	
(amounts in €)	**31/12/2019**	**31/12/2018**	**31/12/2019**	**31/12/2018**
Merchandise	1,386,679	1,469,057	1,319,164	1,411,609
Consumables	147,766	140,450	147,766	140,450
Finished goods	1,326	1,326	1,326	1,326
Total	**1,535,771**	**1,610,833**	**1,468,257**	**1,553,384**
Less: Provisions for merchandise	(1,026,982)	(1,002,790)	(1,002,790)	(1,002,790)
Total net realizable value	**508,788**	**608,043**	**465,467**	**550,594**

The amount of inventories recognized as an expense during the year and included in the Company's cost of goods sold is equal to €5,183,231 and €6,410,766 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.

13.10 Customers and other trade receivables

On 31/12/2019, the receivables were as follows:

	THE GROUP		THE COMPANY	
(amounts in €)	**31/12/2019**	**31/12/2018**	**31/12/2019**	**31/12/2018**
Trade receivables from third parties	42,596,825	42,993,205	40,556,071	39,942,567
Trade receivables from related parties	1,273,671	2,255,954	3,898,807	4,772,872
Bills receivable	262,094	262,704	234,135	234,135
Checks receivable	7,958,005	7,330,236	7,737,957	7,483,129
Less: Provisions for impairment	(38,562,651)	(38,796,785)	(38,359,444)	(38,104,198)
Net trade receivables	**13,527,945**	**14,045,315**	**14,067,526**	**14,328,506**
Down payments to suppliers	160,568	324,298	160,568	324,298
Total	**13,688,512**	**14,369,613**	**14,228,094**	**14,652,804**

The provisions for the Group's and the Company's doubtful trade receivables during the years ended on 31/12/2019 and 31/12/2018 are as follows:

	THE GROUP		THE COMPANY	
(amounts in €)	**31/12/2019**	**31/12/2018**	**31/12/2019**	**31/12/2018**
Opening balance	**(38,796,785)**	**(38,825,888)**	**(38,104,198)**	**(37,749,105)**
Effect of IFRS 9	-	(442,862)	-	(415,988)
Adjusted balance	**(38,796,785)**	**(39,268,749)**	**(38,104,198)**	**(38,165,093)**
Provisions for period	(487,486)	(415,654)	(865,346)	(790,812)
Collection of bad debts	681,288	468,196	569,816	432,285
Write-offs	40,333	419,422	40,283	419,422
Closing balance	**(38,562,651)**	**(38,796,785)**	**(38,359,444)**	**(38,104,198)**

The provisions raised during 2019 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.

13.11 Other receivables

On 31 December 2019, other receivables for the Group and the Company were as follows:

	THE GROUP		THE COMPANY	
(amounts in €)	**31/12/2019**	**31/12/2018**	**31/12/2019**	**31/12/2018**
Sundry debtors	645,762	597,180	606,771	577,185
Receivables from the Greek State	960,202	324,682	885,963	266,031
Other receivables	385,122	181,795	19,760	676
Receivables from affiliates	158,252	158,163	423,817	701,776
Loans to affiliated parties	-	-	-	130,000
Receivables assigned to a factoring company	172,762	515,528	172,762	515,528
Advances to staff	26,771	29,811	18,324	25,766
Guarantees	43,936	256,746	43,936	256,746
Less: provisions for bad debts	(399,805)	(371,585)	(496,186)	(353,805)
Net debtor receivables	**1,996,495**	**1,692,320**	**1,675,148**	**2,119,902**

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

The provisions for the year were as follows:

	THE GROUP		THE COMPANY	
(amounts in €)	**31/12/2019**	**31/12/2018**	**31/12/2019**	**31/12/2018**
Opening balance	**(371,585)**	**(367,654)**	**(353,805)**	**(349,874)**
Provisions for period	(8,121)	(24,931)	(122,281)	(24,931)
Reclassifications	(21,000)	-	(21,000)	-
Write-offs	900	21,000	900	21,000
Closing balance	**(399,805)**	**(371,585)**	**(496,186)**	**(353,805)**

13.12 Other current assets

On 31 December 2019, other current assets of the Group and the Company were as follows:

		THE GROUP		THE COMPANY	
(amounts in €)	Note	**31/12/2019**	**31/12/2018**	**31/12/2019**	**31/12/2018**
Prepaid expenses		743,011	853,283	594,708	787,532
Receivables from contracts with customers	13.15	433,802	830,241	433,802	830,241
Receivables from grants		-	3,165	-	3,165
Other receivable income		345,582	431,456	371,574	421,848
Current income receivable from prepayments		18,501	14,784	18,501	14,784
Prior period income		-	-	-	-
		1,540,896	**2,132,929**	**1,418,584**	**2,057,569**

The "Other current assets" account mainly includes prepaid expenses, receivables from grants as well as receivables from contracts with customers.

The details on contracts with customers are set out in paragraph 13.15 "Contracts with Customers" below.

13.13 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 31/12/2019 the Group and the Company have 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			
	31/12/2019		31/12/2018		31/12/2019		31/12/2018	
	Asset	**Liability**	**Asset**	**Liability**	**Asset**	**Liability**	**Asset**	**Liability**
Non-current assets								
Intangible assets	13,632	2,110,069	5,422	(847,219)		2,122,436	-	(832,765)
Tangible assets	1,549	(1,653)	1,938	(1,901)		(1,653)	-	(1,901)
Current assets								
Other current assets	1,174	600,670	-	3,063,708		598,710	-	3,059,725
Inventories	5,806	-	-	-				
Reserves								
Subsidies to investments	-	-	-	-			-	-
Long-term liabilities								
Staff termination liabilities	432,619	-	455,493	-	384,257	-	411,977	-
Lease liabilities as per IFRS 16	10,174	-	-	-	8,914	-	-	-
Short-term liabilities								
Other liabilities	1,048,613	-	1,068,995	-	1,036,199	-	1,049,744	-
Total	**1,513,567**	**2,709,087**	**1,531,848**	**2,214,588**	**1,429,370**	**2,719,494**	**1,461,721**	**2,225,059**

13.14 Financial assets measured at fair value through profit or loss

On 31 December 2019 and on 31 December 2018, financial assets at fair value through profit or loss of the Group and the Company were both nil.

13.15 Contracts with Customers

The items regarding contracts with customers are broken down as follows:

(amounts in €)	THE GROUP 31/12/2019	THE GROUP 31/12/2018	THE COMPANY 31/12/2019	THE COMPANY 31/12/2018
Project expenses incurred	1,333,256	2,025,736	1,333,256	2,025,736
Plus/(less): Recognized profits/ (losses)	(541,732)	36,754	(541,732)	36,754
Total amount recognized based on percentage of completion	**791,524**	**2,062,489**	**791,524**	**2,062,489**
Remaining/(surplus) recognized amount to be invoiced	**(410,024)**	**545,677**	**(410,024)**	**545,677**
Receivable from customers for contractual work	433,802	830,241	433,802	830,241
Payable to customers for contractual work	(185,610)	(172,026)	(185,610)	(172,026)
Total non-invoiced work	**248,192**	**658,215**	**248,192**	**658,215**
Advances	-	-	-	-
Backlog	**655,196**	**497,915**	**655,196**	**497,915**

On 31/12/2019 the amount of liability from contracts with customers 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 contract with customers and the percentage of completion on the date of the Statement of Financial Position.

13.16 Cash and cash equivalents

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

Amounts in €	THE GROUP 31/12/2019	THE GROUP 31/12/2018	THE COMPANY 31/12/2019	THE COMPANY 31/12/2018
Cash in hand	7,787	5,044	4,379	1,910
Cash in bank	1,873,351	1,695,349	517,712	510,794
Short-term deposits	-	-	-	-
Blocked deposits	1,890,995	5,073	1,890,995	5,073
Total cash and cash equivalents	**3,772,133**	**1,705,465**	**2,413,086**	**517,776**

13.17 Equity

13.17.1 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- 2017	**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-2018	**900,000**	**1.00**	**900,000**	**13,571,728**	**14,471,728**
Share capital increase from conversion of convertible corporate bond	31,782,000	1.00	31,782,000	-	31,782,000
31-Dec-2019	**32,682,000**	**1.00**	**32,682,000**	**13,571,728**	**46,253,728**

By the decision of 30.12.2019 of the Extraordinary General Meeting of the Company's Shareholders, it was decided to increase the share capital up to the amount of €31,782,000 through the injection of cash amounting to €4,500,660 and by offsetting the Company's debt equal to €27,281,340 originating from €26,007,938 (acquisition of bond loans due) and from €1,273,402 (capitalization of interest on bond loans), with the issuance of 31,782,000 new registered shares with a nominal value of €1 each and a share price of €1 each.

Thus, the Company's share capital amounted to €32,682,000 divided into €32,682,000 registered shares with a nominal value of €1 each.

13.17.2 Reserves

Group and Company other reserves are broken down as follows:

	THE GROUP		
(amounts in €)	**Statutory reserve**	**Other reserves**	**Total**
31-Dec-2017	**104,326**	**(25,572)**	**78,754**
FX differences from conversion of foreign subsidiaries' financial statements	-	212	**212**
31-Dec-2018	**104,326**	**(25,360)**	**78,966**
31-Dec-2018	**104,326**	**(25,360)**	**78,966**
FX differences from conversion of foreign subsidiaries' financial statements	-	(1,539)	**(1,539)**
31-Dec-2019	**104,326**	**(26,899)**	**77,427**

	THE COMPANY		
(amounts in €)	**Statutory reserve**	**Other reserves**	**Total**
31-Dec-2017	**73,296**	**-**	**73,296**
31-Dec-2018	**73,296**	**-**	**73,296**
31-Dec-2019	**73,296**	**-**	**73,296**

13.18 Employee benefit liabilities

The amounts reported in the Income Statement and those recognized in the Statement of Financial Position were as follows:

Post-employment benefit obligations

	GROUP		COMPANY	
	Amounts in €			
	31/12/2019	**31/12/2018**	**31/12/2019**	**31/12/2018**
	Defined benefit plans (non-funded)	**Defined benefit plans (non-funded)**	**Defined benefit plans (non-funded)**	**Defined benefit plans (non-funded)**
Defined benefit liability	1,802,580	1,821,972	1,601,071	1,647,906
Fair value of plan assets	-	-	-	-
	1,802,580	**1,821,972**	**1,601,071**	**1,647,906**
Classified as:				
Long-term liability	**1,802,580**	**1,821,972**	**1,601,071**	**1,647,906**
Short-term liability				

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

	31/12/2019	31/12/2018	31/12/2019	31/12/2018
	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	**1,821,972**	**1,748,815**	**1,647,906**	**1,594,856**
From acquisition of subsidiaries	-	-		
Current cost of employment	76,523	169,567	67,091	151,713
Interest charges	30,974	31,479	28,014	28,642
Actuarial losses/(gains) on liability	19,211	(41,901)	4,159	(55,112)
Personnel transfer cost	-	-	-	(3,624)
Benefits paid	(530,693)	(618,572)	(530,693)	(524,138)
Past service cost	384,594	532,584	384,594	455,570
Defined benefit liability on 31 December	**1,802,580**	**1,821,972**	**1,601,071**	**1,647,906**

The major actuarial assumptions used in valuation are as follows:

	31/12/2019	31/12/2018
Discount rate on 31 December	1.15%	1.70%
Future salary increases	2.00%	2.00%
Inflation	1.50%	1.50%

The amounts recognized in the Income Statement are:

	31/12/2019	31/12/2018	31/12/2019	31/12/2018
	Defined benefit plans (non-funded)	Defined benefit plans (non-funded)	Defined benefit plans (non-funded)	Defined benefit plans (non-funded)
Service cost	76,523	169,567	67,091	151,713
Past service cost	384,594	532,584	384,594	455,570
Net interest on benefit liability	30,974	31,479	28,014	28,642
Total expenses recognized in the Income Statement	**492,090**	**733,629**	**479,699**	**635,925**

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

	31/12/2019	31/12/2018	31/12/2019	31/12/2018
	Defined benefit plans (non-funded)	Defined benefit plans (non-funded)	Defined benefit plans (non-funded)	Defined benefit plans (non-funded)
Actuarial gains/(losses) from changes in demographic assumptions	-	-	-	-
Actuarial gains/(losses) from changes in financial assumptions	(75,097)	(28,412)	(49,346)	(25,157)
Reassessment – actuarial losses/ (gains) from changes in experience	55,886	70,313	45,188	80,269
Total income /(expenses) recognized in other comprehensive income	**(19,211)**	**41,901**	**(4,159)**	**55,112**

The effect of changes in significant actuarial assumptions is:

	31/12/2019		31/12/2018	
	Discount rate		**Discount rate**	
	0.50%	**-0.50%**	**0.50%**	**-0.50%**
Increase / (decrease) in defined benefit liability	(147,476)	133,681	(136,622)	150,861
	-8%	7%	-7%	8%
	Future salary increases		**Future salary increases**	
	0.50%	**-0.50%**	**0.50%**	**-0.50%**
Increase / (decrease) in defined benefit liability	130,566	(146,133)	149,624	(136,878)
	7%	-8%	8%	-8%

13.19 Other long-term liabilities

	THE GROUP		COMPANY	
(amounts in €)	**31/12/2019**	**31/12/2018**	**31/12/2019**	**31/12/2018**
Other long-term liabilities	107,591	197,602	-	-
Total	**107,591**	**197,602**	-	-

13.20 Borrowings

On 31/12/2019, the Group's and the Company's borrowings were as follows:

(amounts in €)	THE GROUP 31/12/2019	THE GROUP 31/12/2018	COMPANY 31/12/2019	COMPANY 31/12/2018
Long-term borrowing				
Bond loans	24,436,058	-	24,306,058	-
Loans from affiliated parties	5,850,000	-	5,850,000	-
Total long-term loans	**30,286,058**	**-**	**30,156,058**	**-**
Short-term loans				
Bank loans	4,834,098	5,060,888	3,597,151	3,836,268
Bank loans through factoring	841,191	959,906	841,191	959,906
Bonds payable in next year	-	51,443,996	-	51,313,996
Loans from affiliated parties	-	5,250,000	-	5,305,000
Total short-term loans	**5,675,289**	**62,714,790**	**4,438,342**	**61,415,170**
Total loans	**35,961,347**	**62,714,790**	**34,594,400**	**61,415,170**

On 31/12/2019 the Group's loans amount to €35,961 thousand, out of which €5,675 thousand concern short-term borrowing while the remainder of €30,286 thousand refers to long-term borrowing. Likewise, the Company's loans amount to €34,594 thousand, out of which €4,438 thousand concern short-term borrowing while the remainder of €30,156 thousand refers to long-term borrowing. Long-term borrowing includes bond loans of €24,436 thousand and €24,306 thousand for the Group and the Company, respectively. The decrease in the Company's bond loans compared to last year is due, on the one hand, to the repayment of €1,000 thousand and, on the other hand, to the capitalization made in December 2019 of €26,008 thousand from the shareholder MARFIN INVESTMENT GROUP HOLDINGS S.A. which had acquired bonds of the respective amount (see note 13.17). The maturity of the Group's and the Company's long-term borrowing is set on 31/01/2021 for an amount of €30,156 thousand while the Group's remainder of €130 thousand is set on 30/04/2021. Meanwhile, negotiations for further restructuring of the Company's loans are under way.

The maturity dates of all loans are as follows:

	THE GROUP 31/12/2019	THE GROUP 31/12/2018	THE COMPANY 31/12/2019	THE COMPANY 31/12/2018
Up to 1 year	5,675,289	62,714,790	4,438,342	61,415,170
Between 1 and 2 years	30,286,058	-	30,156,058	-
	35,961,347	**62,714,790**	**34,594,400**	**61,415,170**

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

	THE GROUP 31/12/2019	THE GROUP 31/12/2018	THE COMPANY 31/12/2019	THE COMPANY 31/12/2018
Bank loans (short-term)	5.63%	3.79%	5.72%	3.77%
Bank loans (long-term)	3.60%	-	3.59%	-

13.21 Long-term & Short-term Lease Liabilities

On 31/12/2019, the Group's and the Company's long-term and short-term lease liabilities were as follows:

Short-term lease liabilities
Long-term lease liabilities

(amounts in €)	THE GROUP		THE COMPANY	
	31/12/2019	**31/12/2018**	**31/12/2019**	**31/12/2018**
Short-term lease liabilities	887,287	2,493	719,170	-
Long-term lease liabilities	561,778	5,850	414,436	-
Total lease liabilities	**1,449,065**	**8,343**	**1,133,605**	**-**

Minimum future lease payments were as follows:

	THE GROUP			
	31/12/2019		**31/12/2018**	
(amounts in €)	**Minimum future payments**	**Present value of minimum future payments**	**Minimum future payments**	**Present value of minimum future payments**
Up to 1 year	942,721	887,287	2,809	2,493
Between 1 and 5 years	573,562	533,752	6,767	5,850
Over 5 years	28,517	28,026	-	-
Total minimum future payments	**1,544,801**	**1,449,065**	**9,576**	**8,343**
Less: Amounts that are financial expenses	(95,735)	-	(1,232)	-
Total present value of minimum future payments	**1,449,065**	**1,449,065**	**8,343**	**8,343**

	THE COMPANY			
	31/12/2019		**31/12/2018**	
(amounts in €)	**Minimum future payments**	**Present value of minimum future payments**	**Minimum future payments**	**Present value of minimum future payments**
Up to 1 year	761,633	719,170	-	-
Between 1 and 5 years	421,600	386,410	-	-
Over 5 years	28,517	28,026	-	-
Total minimum future payments	**1,211,751**	**1,133,605**	**-**	**-**
Less: Amounts that are financial expenses	(78,145)	-	-	-
Total present value of minimum future payments	**1,133,605**	**1,133,605**	**-**	**-**

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

	THE GROUP		THE COMPANY	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Short-term lease liabilities	5.93%	4.43%	5.95%	-
Long-term lease liabilities	5.75%	4.43%	5.71%	-

13.22 Provisions

On 31 December 2019, the provisions and account transactions during the year were as follows:

	THE GROUP			
(amounts in €)	**Tax liabilities**	**Other Provisions**	**Provision for pending law cases**	**Total**
31-Dec-2017	**383,437**	**106,165**	**368,685**	**825,623**
Additional provisions	-	458,085	-	**458,085**
Used provisions	-	(391,526)	-	**(391,526)**
31-Dec-2018	**383,437**	**172,724**	**368,685**	**924,847**
Additional provisions	-	223,104	-	**223,104**
Used provisions	-	(22,086)	(266,061)	**(288,147)**
Used provisions	-	(21,000)	-	**(21,000)**
31-Dec-2019	**383,437**	**352,742**	**102,624**	**838,803**

	Long-term provisions	Short-term Provisions	Total
31-Dec-2018	**-**	**924,847**	**924,847**
31-Dec-2019	**-**	**838,803**	**838,803**

	THE COMPANY			
(amounts in €)	**Tax liabilities**	**Other Provisions**	**Provision for pending law cases**	**Total**
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**
Additional provisions	-	223,104	0	**223,104**
Used provisions	-	(22,086)	(266,061)	**(288,147)**
		(21,000)	0	**(21,000)**
31-Dec-2019	**379,151**	**352,742**	**102,624**	**834,518**

	Long-term provisions	Short-term Provisions	Total
31-Dec-2018	**-**	**920,561**	**920,561**
31-Dec-2019	**-**	**834,518**	**834,518**

13.23 Suppliers and other liabilities

The Group's and the Company's supplier and other liability balances were as follows:

	THE GROUP		THE COMPANY	
(amounts in €)	**31/12/2019**	**31/12/2018**	**31/12/2019**	**31/12/2018**
Suppliers	8,398,943	7,975,723	8,189,816	7,515,175
Checks payable	3,691	43,525	-	43,525
Customer down-payments	3,000	3,000	-	-
Other liabilities	0	3,172	-	-
Total	**8,405,634**	**8,025,420**	**8,189,816**	**7,558,700**

13.24 Current tax liabilities

On 31/12/2019, the Group's and the Company's liabilities for income tax were as follows:

	THE GROUP		THE COMPANY	
(amounts in €)	**31/12/2019**	**31/12/2018**	**31/12/2019**	**31/12/2018**
Income Tax	95,062	46,649	-	-
Total	**95,062**	**46,649**	-	-

13.25 Other short-term liabilities

On 31/12/2019, the Group's and the Company's other short-term liabilities were as follows:

	THE GROUP		THE COMPANY	
(amounts in €)	**31/12/2019**	**31/12/2018**	**31/12/2019**	**31/12/2018**
Interest accrued	1,898,033	1,844,120	1,889,574	1,814,157
Insurance organizations	1,174,479	1,239,226	1,047,385	1,125,466
Dividends payable	77,962	77,993	-	-
Salaries and wages payable	291,711	222,286	287,953	219,999
Unearned and deferred income	5,264,109	6,837,878	4,540,521	6,212,278
Accrued expenses	1,424,635	1,293,209	1,385,643	1,266,733
Other liabilities	1,559,865	1,620,199	1,469,448	1,456,462
Other tax liabilities	2,105,450	2,072,156	1,927,722	1,899,158
Total	**13,796,244**	**15,207,065**	**12,548,247**	**13,994,253**

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.

13.26 Cost of goods sold – Administrative expenses – Selling expenses

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

(amounts in €)	THE GROUP 1/1 - 31/12/2019 Cost of Goods Sold	Administrative expenses	Selling expenses	Total	1/1 - 31/12/2018 Cost of Goods Sold	Administrative expenses	Selling expenses	Total
Remuneration, pension and other benefits to employees	14,524,466	4,111,743	4,577,394	**23,213,604**	14,386,525	3,771,494	4,834,324	**22,992,343**
Cost of inventories recognized as an expense	6,410,533	232	-	**6,410,766**	4,887,465	229	-	**4,887,695**
Third party fees and expenses	7,477,635	1,635,841	967,220	**10,080,697**	5,855,407	1,516,964	1,028,614	**8,400,985**
Services received	798,942	123,837	100,496	**1,023,276**	691,705	112,415	103,840	**907,960**
Repairs and maintenance	2,268,377	66,252	40,972	**2,375,601**	2,565,936	9,262	19,988	**2,595,186**
Operating leases and rents	162,728	30,149	87,859	**280,735**	786,258	212,409	358,061	**1,356,729**
Taxes and duties	74,338	22,976	40,759	**138,073**	113,410	27,118	34,575	**175,104**
Provisions	-	-	6,336	**6,336**				
Advertising	32,222	93,464	114,986	**240,672**	12,503	101,595	97,550	**211,647**
Other expenses	1,102,621	179,635	375,421	**1,657,677**	734,164	335,669	349,536	**1,419,370**
Depreciation of fixed assets	2,205,758	215,914	114,911	**2,536,583**	1,573,354	172,216	94,302	**1,839,872**
Depreciation of right-of-use assets	539,082	179,492	234,488	**953,063**	-	-	-	**-**
Total	**35,596,704**	**6,659,535**	**6,660,843**	**48,917,083**	**31.606.728**	**6.259.372**	**6.920.790**	**44.786.890**

(amounts in €)	THE COMPANY 1/1 - 31/12/2019 Cost of Goods Sold	Administrative expenses	Selling expenses	Total	1/1 - 31/12/2018 Cost of Goods Sold	Administrative expenses	Selling expenses	Total
Remuneration, pension and other benefits to employees	12,617,191	3,645,235	3,761,129	**20,023,555**	12,690,809	3,377,475	3,902,106	**19.970.389**
Cost of inventories recognized as an expense	5,183,231	-	-	**5,183,231**	3,649,971	-	-	**3,649,971**
Third party fees and expenses	7,622,412	1,036,432	914,998	**9,573,841**	6,486,817	1,006,255	932,793	**8.425.865**
Services received	759,064	98,163	82,238	**939,465**	654,017	82,449	86,428	**822.895**
Repairs and maintenance	2,268,275	66,053	40,963	**2,375,291**	2,565,505	9,133	19,816	**2.594.454**
Operating leases and rents	149,612	25,076	80,496	**255,183**	736,050	149,875	329,138	**1.215.063**
Taxes and duties	69,089	15,097	38,130	**122,316**	105,697	19,052	29,108	**153.856**
Advertising	30,720	86,388	86,480	**203,588**	9,820	95,169	85,246	**190.235**
Other expenses	1,055,101	119,109	311,433	**1,485,643**	684,512	165,886	290,942	**1.141.341**
Depreciation of fixed assets	2,057,404	162,359	99,637	**2,319,430**	1,430,520	123,542	80,776	**1.634.838**
Depreciation of right-of-use assets	472,751	106,260	193,897	**772,908**	-			
Total	**32,284,849**	**5,360,202**	**5,609,401**	**43,254,451**	**29.013.718**	**5.028.835**	**5.756.353**	**39.798.906**

13.27 Other operating income/expenses

(amounts in €)	Note	THE GROUP 31/12/2019	THE GROUP 31/12/2018	THE COMPANY 31/12/2019	THE COMPANY 31/12/2018
Miscellaneous operating income					
Income from grants		3,114,499	3,076,763	2,808,579	2,735,106
Income from rents		4,313	2,641	15,054	31,456
Other		524,707	503,045	423,719	601,235
Income from used provisions	13.10 & 13.22	1,070,261	859,485	954,434	823,811
Reversal of provisions		-	-	-	-
Gains on sale of fixed assets		9,861	65	8,796	65
Total		**4,723,641**	**4,442,000**	**4,210,582**	**4,191,674**
Miscellaneous operating costs					
Fines & surcharges		(47,583)	(50,491)	(46,678)	(49,161)
Provision for bad debts	13.10 & 13.22	(1,068,291)	(898,669)	(1,573,262)	(1,273,828)
Loss from sale/ destruction of fixed assets/merchandise		(98)	(102,978)	(98)	(88,621)
Other		(524,722)	(378,689)	(372,242)	(171,059)
Total		**(1,640,694)**	**(1,430,827)**	**(1,992,281)**	**(1,582,669)**

In 2019, the Company made new provisions for bad debts, other receivables and for project-related losses equal to €1,573,262 while the Group raised new provisions amounting to €1,068,291. The provisions for bad debts were reduced by €1,070,261 and €954,434 for the Group and the Company, respectively, due to the collection of bad debts of €681,288 and €569,816 for the Group for the Company, and also due to a reversal of €384,618 of loss from works, owing to their completion.

13.28 Financial income/expenses

(amounts in €)	Note	THE GROUP 31/12/2019	THE GROUP 31/12/2018	THE COMPANY 31/12/2019	THE COMPANY 31/12/2018
Interest income:					
- Banks		3,757	5,177	1,371	1,010
- Customers		0	1,586	0	1,586
- Other interest income		357,354	-	347,774	-
- Loans granted		139	238	20,117	15,629
		361,250	**7,002**	**369,261**	**18,225**
Interest charges:					
– Discount of staff termination liabilities	13.17	(30,973)	(31,479)	(28,014)	(28,642)
– Short-term bank loans		(531,649)	(419,520)	(495,813)	(356,502)
– Bank loans (bonds)		(1,800,090)	(1,946,288)	(1,792,135)	(1,938,710)
– Guarantee letter commissions		(344,857)	(304,234)	(344,857)	(303,985)
– Factoring		(98,650)	(165,827)	(98,650)	(165,827)
– Financial leases		(112,568)	(363)	(89,012)	-
– Interest on overdrafts		(27,447)	-	-	-
– Other bank expenses		(145,552)	(538,863)	(139,787)	(534,250)
		(3,091,785)	**(3,406,574)**	**(2,988,268)**	**(3,327,916)**

Financial expenses comprise, by the largest part, interest income from loans assumed while financial income mainly includes income from a decrease in corporate bond interest rate and interest income from customers.

13.29 Other financial results

(amounts in €)	THE GROUP 31/12/2019	THE GROUP 31/12/2018	THE COMPANY 31/12/2019	THE COMPANY 31/12/2018
Profits/(losses) from the sale of financial assets through profit or loss	-	-	-	-
Impairment provisions for loans and other investments	(20,059,218)	(2,657,144)	(20,156,181)	-
Dividend income	-	-	17,675	8,585
Foreign exchange gains/(losses)	(5,983)	(4,071)	(4,941)	(12,663)
Other financial results	-	-	-	(5,502)
Financial cost of receivables discount	-	(9,666)	-	-
Total	**(20,065,201)**	**(2,670,881)**	**(20,143,447)**	**(9,580)**

During the current year, Other Financial Results include a partial provision for impairment of goodwill and intangible assets by €20,000,000 and €59,218, respectively for both the Group and the Company. During 2018, a provision had been made by the Group for impairment of a part of the Group's goodwill by €2,657,144.

Also, during the current year, the Company recorded impairment of holdings in its subsidiaries, amounting to €60,953 and €36,010 for SingularLogic Romania and SingularLogic Bulgaria, respectively.

13.30 Income tax

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

(amounts in €)	THE GROUP 31/12/2019	THE GROUP 31/12/2018	THE COMPANY 31/12/2019	THE COMPANY 31/12/2018
Tax for the period	(95,344)	(47,152)	-	-
Self-employed and liberal professions contribution	-	-	-	-
Deferred tax	(539,218)	(838,162)	(548,352)	(813,750)
Other taxes	(954)	(11,899)	-	-
Total	**(635,516)**	**(897,212)**	**(548,352)**	**(813,750)**

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

	31/12/2019	31/12/2018	31/12/2019	31/12/2018
(amounts in €)	**THE GROUP**		**THE COMPANY**	
Earnings before tax	**(21,681,301)**	**(6,339,330)**	**(22,271,284)**	**(3,393,843)**
Tax rate	24%	29%	24%	29%
Expected tax expense at the enacted tax rate	**(5,203,512)**	**(1,838,406)**	**(5,345,108)**	**(984,214)**
Non-taxable income	-	-	-	-
Offsetting due to prior-period accumulated losses	(806,286)	-	(789,134)	-
Losses for which deferred tax asset was not recognized	4,425,724	2,599,677	4,482,055	1,699,011
Dividends or earnings from holdings:	-	-	(4,242)	(2,490)
Adjustment for tax-exempt income:				
Adjustment to tax for non-deductible expenses:				
- non deductible expenses	107,475	297,437	99,533	288,737
- other adjustments	1,993,203	-	1,993,203	-
Effect of changes in tax rate	119,723	(173,395)	112,044	(187,294)
Tax adjustments of preceding financial years	954	11,899	-	-
- Effect of changes in tax rates of foreign subsidiaries	(1,765)	-	-	-
Incurred tax expense (net)	**635,516**	**897,212**	**548,352**	**813,750**

The Group and the Company have a contingent liability for additional fines and taxes from unaudited fiscal years for which sufficient provisions have been made (see note 13.37). The unaudited fiscal years of the Company and the Group's consolidated companies are set out in note No 13.37.

According to article 22 of Law 4646/2019, the tax rate applying to Greek enterprises for fiscal year 2019 was reduced to 24%. The applicable law for 2018 (article 23 of Law 4579/2018) stipulated gradual decrease in the income tax rate of profits from business activities of legal entities in Greece, save credit institutions, thus moving from 28% for fiscal year 2019 to 25% for fiscal year 2022 onwards.

Deferred income tax (expenses) of €119,723 and €112,044 for the Group and the Company arose from the 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 €21,826 and €20,567 for the Group and the Company arose, which was directly posted to Equity through the Statement of Comprehensive Income.

13.31 Cash flow from operating activities

(Indirect method of presentation)

(amounts in €)	THE GROUP		THE COMPANY	
Cash flows from operating activities	**31/12/2019**	**31/12/2018**	**31/12/2019**	**31/12/2018**
Profit for the period	**(22,316,817)**	**(7,236,542)**	**(22,819,635)**	**(4,207,593)**
Adjustments for:				
Taxes	635,516	897,212	548,352	813,750
Depreciation of fixed assets	2,314,834	439,054	2,098,937	405,959
Depreciation of intangible assets	1,174,811	1,400,818	993,401	1,228,879
Provisions	1,151,150	1,068,237	1,640,353	1,425,541
Income from use of prior-period provisions	(1,070,261)	(859,485)	(954,434)	(823,811)
Impairment provisions for loans and other investments	20,059,218	2,657,144	20,156,181	-
(Profit)/losses from sale of tangible assets	(9,763)	102,912	(8,698)	88,555
(Profit)/losses from sale of financial assets at fair value through P&L	-	-	-	-
Non-cash expenses	-	9,666	-	-
Interest earned and related income	(361,250)	(7,002)	(369,261)	(18,225)
Interest charges and related expenses	3,091,786	3,406,574	2,988,268	3,327,916
Dividends	-	-	(17,675)	(8,585)
Share in result of affiliated companies	-	-	-	5,502
Other foreign exchange differences	5,982	4,071	4,941	12,663
	4,675,206	**1,882,659**	**4,260,730**	**2,250,551**
Change in working capital				
(Increase) / decrease in inventory	104,550	(44,250)	85,128	(43,072)
(Increase) / decrease in receivables	383,268	77,953	46,027	(346,992)
(Increase)/ decrease in other current assets accounts	697,513	(587,422)	844,144	(620,417)
Increase / (decrease) in liabilities	(1,430,967)	(841,920)	(1,484,771)	(1,015,051)
	(245,637)	**(1,395,638)**	**(509,472)**	**(2,025,532)**
Cash flow from operating activities	**4,429,569**	**487,020**	**3,751,258**	**225,019**

13.32 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 2019, the transactions and balances of transactions between the Group's related parties were as follows:

	GROUP		COMPANY	
Amounts in Euro				
Sales of goods/fixed assets				
	31-Dec-2019	**31 Dec 2018**	**31-Dec-2019**	**31 Dec 2018**
Parent Company	-	-	-	-
Subsidiaries	-	-	35,963	75,512
Associates	6,000	7,993	6,000	7,993
Other related parties	418,906	678,116	415,762	550,052
Total	**424,906**	**686,108**	**457,726**	**633,556**
Purchases of goods/fixed assets				
	31-Dec-2019	**31 Dec 2018**	**31-Dec-2019**	**31 Dec 2018**
Parent Company	-	-	-	-
Subsidiaries	-	-	-	-
Associates	-	-	-	-
Other related parties	-	-	-	-
Total	**-**	**-**	**-**	**-**
Sales of services				
	31-Dec-2019	**31 Dec 2018**	**31-Dec-2019**	**31 Dec 2018**
Parent Company	-	-	-	-
Subsidiaries	-	-	515,228	825,108
Associates	392,292	374,272	392,292	374,272
Other related parties	2,098,397	5,370,968	1,883,701	5,018,968
Total	**2,490,689**	**5,745,240**	**2,791,220**	**6,218,347**
Purchases of services				
	31-Dec-2019	**31 Dec 2018**	**31-Dec-2019**	**31 Dec 2018**
Parent Company	-	-	-	-
Subsidiaries	-	-	150,680	149,781
Associates	15,914	11,251	15,914	11,251
Other related parties	113,088	178,701	113,088	178,701
Total	**129,003**	**189,952**	**279,683**	**339,733**
Other income				
	31-Dec-2019	**31 Dec 2018**	**31-Dec-2019**	**31 Dec 2018**
Parent Company	-	-	-	-
Subsidiaries	-	-	146,910	212,157
Associates	-	-	-	188
Other related parties	6,300	99,516	6,300	99,516
Total	**6,300**	**99,516**	**153,210**	**311,860**
Other expenses				
	31-Dec-2019	**31 Dec 2018**	**31-Dec-2019**	**31 Dec 2018**
Parent Company	-	-	-	-
Subsidiaries	-	-	1,051	-
Associates	-	-	-	-
Other related parties	1,654,708	1,300,652	1,617,911	1,263,827
Total	**1,654,708**	**1,300,652**	**1,618,962**	**1,263,827**
Income from interest from loans to affiliated parties				
	31-Dec-2019	**31 Dec 2018**	**31-Dec-2019**	**31 Dec 2018**
Subsidiaries	-	-	19,977	15,390
Other related parties	576,259	805	576,259	805
Total	**576,259**	**805**	**596,236**	**16,195**
Interest charges from loans to affiliated parties				
	31-Dec-2019	**31 Dec 2018**	**31-Dec-2019**	**31 Dec 2018**
Other related parties	276,755	134,894	276,755	134,894
Total	**276,755**	**134,894**	**276,755**	**134,894**
Receivables				

	GROUP		COMPANY	
	31-Dec-2019	31 Dec 2018	31-Dec-2019	31 Dec 2018
Parent Company	-	-	-	-
Subsidiaries	-	-	3,336,248	3,205,005
Associates	603,987	565,814	603,987	565,814
Other related parties	2,502,587	3,054,710	2,421,658	2,821,492
Total	**3,106,575**	**3,620,523**	**6,361,893**	**6,592,310**
Liabilities				
	31-Dec-2019	31 Dec 2018	31-Dec-2019	31 Dec 2018
Parent Company	-	-	-	-
Subsidiaries	-	-	2 94,887	225,329
Associates	14,262	7,739	14,262	7,739
Other related parties	35,922,972	35,308,190	35,169,691	34,554,894
Total	**35,937,234**	**35,315,930**	**35,478,839**	**34,842,962**

The item of Subsidiaries under the Receivables category includes an amount of €410,000 for the fiscal years 2018 and 2019 which refers to a loan to a subsidiary. In relation to the fiscal year 2019, the amount of Other related parties under the Liabilities category includes loans to the Group from Piraeus Bank and the parent company of €28,391,249 and €5,850,000, respectively, and loans to the Company from Piraeus Bank and the parent Company equal to €26,806,058 and €5,850,000, respectively. For the fiscal year 2018 the loans from Piraeus Bank to the Group and the Company amounted to €28,033,145 and €27,289,145.

Moreover, the amount of Subsidiaries under the Receivables category for the Company includes provisions for doubtful debts equal to €1,074,273 for 2019, of which the amount of €531,941 had an adverse effect on the results of the said fiscal year. During 2018, the respective provisions for doubtful debts amounted to €542,332 followed by an equal adverse effect on the results of the fiscal year 2018.

13.33 Transactions with Key Management Personnel

Benefits to Management at the level of both Group and Company were as follows:

	THE GROUP		THE COMPANY	
(amounts in €)	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Salaries and social security costs	1,416,603	1,063,657	1,158,225	831,240
BoD meeting fees	279,021	294,128	-	64,428
Staff termination indemnities	10,500	82,593	10,500	-
Other long-term benefits	3,457	-	912	-
Pensions under defined contribution plans	3,924	-	-	-
Total	**1,713,505**	**1,440,378**	**1,169,637**	**895,667**

On 31 December 2019, no loans had been granted to BoD members or other senior Group executives (and their families).

13.34 Number of staff employed

On 31 December 2019, the number of staff employed by the Group and the Company is as follows:

	THE GROUP		THE COMPANY	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Staff employed	520	577	437	489

13.35 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 €8,976 thousand have been assigned (31/12/2018: €8,604 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.

13.36 Contingent receivables – liabilities

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

	THE GROUP		THE COMPANY	
(amounts in €)	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Performance guarantees	2,512,949	2,555,185	2,512,949	2,555,185
Collateral (pledges – floating charge) for loan repayment	8,976,268	8,603,504	8,976,268	8,603,504
Advance payment guarantees - Restricted deposits	3,537,076	3,782,746	3,534,867	3,780,542
Guarantees for participation in various tender procedures	229,097	216,123	229,097	216,123
Total	**15,255,390**	**15,157,558**	**15,253,180**	**15,155,354**

Restricted deposits for letters of guarantee amount to €583,984 and €581,776 for the Group and the Company, respectively.

On 31/12/2019 the Company and its subsidiary have provided guarantees for the short-term borrowing of the Group's companies, which amount to €1.2 million.

The Company and accordingly the Group made provisions in financial statements regarding any affairs pending before courts when IAS 37 criteria are met, i.e. when it is likely that an outflow of resources will be required to settle the liability and this amount can be measured reliably. Management is not in a position to estimate any likely loss in relation to other affairs for which no provisions have been raised in the financial statements as they are at initial stages and there is no certainty about the lawsuits filed or their likely outcome.
Moreover, the Group may be charged for the settlement of a relevant liability in case a ruling is handed down against the subsidiary SystemSoft in a pending court case because a former employee has filed a lawsuit for which the said subsidiary has not raised any provision.

Furthermore, it is noted that on 6/3/2020 the Company's participation in the Bulgarian company "SINGULARLOGIC BULGARIA COMPUTER APPLICATIONS EOOD" was fully transferred to "VISION CONSULTING GROUP OOD" ("the Acquirer"). According to the individual terms of the transaction, the Company has provided limited guarantees to the Acquirer in relation to individual court cases and debts to insurance organizations and fiscal authorities that may arise.

13.37 Unaudited fiscal years by tax authorities

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

CORPORATE NAME	UN-AUDITED FISCAL YEARS
SINGULARLOGIC S.A.	2014-2019
PCS S.A.	2014-2019
METASOFT S.A.	2014-2019
INFOSUPPORT S.A.	2014-2019
LOGODATA S.A.	2014-2019
SYSTEM SOFT S.A.	2014-2019
SENSE ONE TECHNOLOGIES S.A.	2014-2019
GIT HOLDINGS S.A.	2014-2019
INFO S.A.	2014-2019

On 31/12/2019, the years up to 31/12/2013 were statute-barred in accordance with the provisions of article 36(1) of law 4174/2013, with the exceptions stipulated in applicable laws for extension of the right of the Fiscal Administration to issue administrative decisions on the estimated or corrected amount of tax payable in specific cases.
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 31/12/2019. In relation to the unaudited 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 and the Company have recorded provisions for unaudited tax years of €383 thousand (31/12/2018: €383 thousand) and €379 thousand (31/12/2018: €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.
For the fiscal year 2019, 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 2019. 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 year 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 Group's financial assets and the respective liabilities in foreign currency were as follows:

Amounts in € and foreign currency	31/12/2019				31/12/2018			
	EUR	**USD**	**GBP**	**RON**	**EUR**	**USD**	**GBP**	**RON**
Notional amounts								
Financial assets	841,648	260,277	6,137	2,880,713	887,792	326,734	6,137	2,777,699
Financial liabilities	(768,881)	(230,175)	(1,676)	(2,686,059)	(725,148)	(173,584)	(1,676)	(2,666,226)
Short-term exposure	**72,767**	**30,101**	**4,461**	**194,655**	**162,644**	**153,150**	**4,461**	**111,473**

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:

	31/12/2019					
Amounts in €	**USD**		**GBP**		**RON**	
Profit for the year (post tax)	2,679	(2,679)	524	(524)	4,073	(4,073)
Equity	2,679	(2,679)	524	(524)	4,073	(4,073)

	31/12/2018					
Amounts in €	**USD**		**USD**		**USD**	
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)

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 2019, 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 13.20 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% (2018: +/-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			
	31/12/2019		**31/12/2018**		**31/12/2019**		**31/12/2018**	
Amounts in €								
Profit for the period after tax	(359,613)	359,613	(627,231)	627,231	(345,944)	345,944	(614,152)	614,152
Equity	(359,613)	359,613	(627,231)	627,231	(345,944)	345,944	(614,152)	614,152

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 31/12/2019 were as follows:

	THE GROUP		THE COMPANY	
Amounts in €	**31/12/2019**	**31/12/2018**	**31/12/2019**	**31/12/2018**
Financial asset categories				
Cash and cash equivalents	3,772,133	1,705,465	2,413,086	517,776
Trade and other receivables	16,118,809	16,892,174	16,337,044	17,602,948
Total	**19,890,942**	**18,597,640**	**18,750,130**	**18,120,724**

The maturity of outstanding and non-impaired trade and other receivables on 31/12/2019 & 31/12/2018 is presented:

	THE GROUP		THE COMPANY	
Overdue and non-impaired	**31/12/2019**	**31/12/2018**	**31/12/2019**	**31/12/2018**
Less than 3 months	2,974,309	2,087,392	2,780,487	1,900,948
Between 3 and 6 months	432,761	512,966	422,103	524,274
Between 6 months and 1 year	38,446	264,723	441,862	578,675
More than 1 year	-	15,101	468,795	667,202
	3,445,516	**2,880,184**	**4,113,248**	**3,671,099**

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 31/12/2019 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 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 2019 was as follows:

THE GROUP

31/12/2019

	Short-term		Long-term	
	Within 6 months	6 to 12 months	1 to 5 years	More than 5 years
Amounts in €				
Long-term borrowing	-	-	30,286,058	-
Lease liabilities	461,412	425,875	533,752	28,026
Trade liabilities	3,651,415	4,754,219	-	-
Other short-term liabilities	8,179,787	5,711,519	107,591	-
Short-term borrowing	5,675,289	-	-	-
	17,967,903	**10,891,613**	**30,927,401**	**28,026**

31/12/2018

	Short-term		Long-term	
	Within 6 months	6 to 12 months	1 to 5 years	More than 5 years
Amounts in €				
Long-term borrowing	1,000,000	50,443,996	-	-
Lease liabilities	-	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**	**-**

THE COMPANY
31/12/2019

	Short-term		Long-term	
	Within 6 months	6 to 12 months	1 to 5 years	More than 5 years
Amounts in €				
Long-term loans	-	-	30,156,058	-
Lease liabilities	372,918	346,251	386,410	28,026
Trade liabilities	4,913,890	3,275,927	-	-
Other short-term liabilities	7,501,502	5,046,745	-	-
Short-term borrowing	4,438,342	-	-	-
	17,226,652	**8,668,923**	**30,542,468**	**28,026**

31/12/2018

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

On 31/12/2019 the Group's loans amount to €35,961 thousand, out of which €5,675 thousand concern short-term borrowing while the remainder of €30,286 thousand refers to long-term borrowing. Likewise, the

Company's loans amount to €34,594 thousand, out of which €4,438 thousand concern short-term borrowing while the remainder of €30,156 thousand refers to long-term borrowing. Long-term borrowing includes bond loans of €24,436 thousand and €24,306 thousand for the Group and the Company, respectively. The decrease in the Company's bond loans compared to last year is due, on the one hand, to the repayment of €1,000 thousand and, on the other hand, to the capitalization made in December 2019 of €26,008 thousand from the shareholder MARFIN INVESTMENT GROUP HOLDINGS S.A. which had acquired bonds of the respective amount (see note 13.17). The maturity of the Group's and the Company's long-term borrowing is set on 31/01/2021 for an amount of €30,156 thousand while the Group's remainder of €130 thousand is set on 30/04/2021 (see note 13.20). Meanwhile, negotiations for further restructuring of the Company's loans are under way.

In light of the above and taking into consideration that 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 13.20).The eventual risks are also associated with the issues analyzed in relation to the COVID-19 pandemic.

14.6 Accident risk

Due to the nature of its operations, the Company is subject to the aforementioned risk that may have a negative impact on its results, clientele or operation. In this context, SINGULARLOGIC is covered by a property, civil liability, professional liability, fire and employers' liability insurance policy.

14.7 Presentation of financial assets and financial liabilities per category

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

Amounts in €	THE GROUP 31/12/2019	THE GROUP 31/12/2018	THE COMPANY 31/12/2019	THE COMPANY 31/12/2018
Non-current assets				
Loans and receivables	177,047	282,779	567,689	178,899
Other financial assets	59,932	59,932	59,932	59,932
Total	**236,980**	**342,711**	**627,621**	**238,831**
Current assets				
Assets presented at fair value through P&L	-	-	-	-
Trade and other receivables	16,118,809	16,892,174	16,337,044	17,602,948
Cash and cash equivalents	3,772,133	1,705,465	2,413,086	517,776
Total	**19,890,942**	**18,597,640**	**18,750,130**	**18,120,724**
Long-term liabilities				
Long-term borrowing	30,286,058	-	30,156,058	-
Long-term lease liabilities	561,778	5,850	414,435	-
Total	**30,847,836**	**5,850**	**30,570,494**	**-**
Short-term liabilities				
Short-term loan liabilities	5,675,289	62,717,283	4,438,342	61,415,170
Short-term lease liabilities	887,287	2,243	719,170	-
Financial liabilities	8,405,634	8,025,420	8,189,816	7,558,700
Other financial liabilities	13,796,244	15,207,065	12,548,247	13,994,253
Total	**28,764,455**	**85,949,768**	**25,895,575**	**82,968,123**

14.8 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 Group's/Company's financial instruments levels

2019 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**

2019 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**

14.9 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	
	31/12/2019	**31/12/2018**	**31/12/2019**	**31/12/2018**
Amounts in €				
Loans	35,961,347	62,723,134	34,594,400	61,415,170
Less: Cash and cash equivalents	(3,772,133)	(1,705,465)	(2,413,086)	(517,776)
Net borrowing	**32,189,214**	**61,017,668**	**32,181,314**	**60,897,394**
Total equity	11,736,409	2,632,466	14,176,266	5,546,097
Net borrowing to Equity	**2.74**	**23.18**	**2.27**	**10.98**

15 Events after the reporting period

- On 10/03/2020 the Board Member Christophe Henri Vivien, son of Francois, resigned.

  Further to the above, the Board of Directors was formally composed as follows:

  - Ioannis Theodoropoulos, father's name Nikolaos, Chairman and Managing Director
  - Georgios Efstratiadis, father's name Efstratios, Member
  - Anastasios Kyprianidis, father's name Georgios, Member
  - Stefanos Kapsaskis, father's name Konstantinos, Member

- On 6/3/2020, all (100%) of the shares of the subsidiary SINGULARLOGIC BULGARIA were transferred.
- Emergence of the COVID-19 pandemic

The Group's activity is significantly affected by private sector investments which are extremely sensitive to retail consumption, and by public investments which are fully in line with Greece’s macroeconomic indicators. Studies of the Greek market show an upward trend in the IT sector driven by changes in the aforementioned parameters which determine the change in Greece's GDP growth rate, in conjunction with net exports.

Before the COVID-19 outbreak, the Greek economy seemed to recover from the long economic crisis and be at a phase of accelerated growth. Consumer trust became stronger and the economic environment recorded a significant improvement. The capital controls that were lifted combined with the gradual decrease in the financing cost and the launch of important investment plans are factors that improve the economic environment. In light of the above and provided that the COVID-19 pandemic will be soon got over, there is the well-founded hope that the Company can achieve its objectives unhindered.

Emergence of the COVID-19 pandemic - Risks – Implications - Measures taken

On 30 January 2020, the World Health Organization (WHO) declared that the outbreak of COVID-19 constitutes a “public health emergency of international concern”, and in March 2020 the WHO declared COVID-19 a pandemic. In accordance with IAS 10 requirements, the impact of the COVID-19 pandemic is a non-adjusting event for the financial statements of the year ended on 31 December 2019.

The COVID-19 pandemic has affected the business and economic activity across the world. Various sectors of economic activity as a whole have suspended or slowed down their business while lockdown has been imposed by many countries. More specifically, the positive prospects that had been shaped early in the year about the performance of the Greek economy suffered a setback due to the emergence of the pandemic in Greece, as a drop in the GDP is expected which, as estimated, will be recorded in almost all business sectors in Greece, with the sectors of tourism, catering, transports, trade and entertainment being affected the most.

Due to the range of its product portfolio, the Company collaborates with sectors significantly affected by COVID-19 as well as sectors that saw increased activity. Therefore, the effect on its financial results is mixed, with adverse effects weighing more on results.

The Greek State took a number of measures to combat the spread of the pandemic. Moreover, an act of legislative content imposed, among others, restrictions on the collection of checks in relation to the affected entities and deferral of payments of taxes and employer contributions, allowing companies to better manage their cash flows throughout the pandemic.

Risks from the Covid-19 pandemic

More specifically, the pandemic generates a considerable number of risks that could have an impact on the financial status and results of 2020, and involve the following areas:

Loss of income during 2020: negative fluctuations of GPR growth and, therefore, adverse impacts on the objectives set by the Company.

Assets impairment risk: Due to the expected effect of the pandemic on global economy and our country and, by extension, on the Group's economic performance, there is the risk that its assets, namely the Company's acknowledged goodwill, brand and investments in subsidiaries will be measured at lower values in the following years and impairment may eventually arise which will be charged to the Group's results and economic position.

Economic position/liquidity: The Group's liquidity is deemed satisfactory at the current period, i.e. the Group can fully meet its needs for the entire year 2020, in line with Management's business plan. However, it is exposed to major risks as a result of the pandemic. Moreover, the restrictions imposed by an act of legislative content on the collection of checks drawn by the affected entities also give rise to lack of cash.

Credit risk: The Company manages credit risk in a satisfactory manner, having developed credit control procedures in order to minimize doubtful debts. Yet, the emergence of the pandemic gives rise to new circumstances and calls for vigilance about how to deal with eventual cases of default or post-dating of liabilities that could occur.

Group Management monitors closely the developments and takes a number of measures to adapt its business model to the changing conditions, secure the Company's economic position and limit any adverse effects as much as possible.

Implications for the Group's financial performance

The recent developments may affect considerably the Group's economic performance in 2020 as the industry spans across customers who face mixed effects on their economic results.

The range of effects will depend on factors such as the duration of the epidemic and the applicable restrictive measures, any additional measures that may be taken by governments and the magnitude of adverse effects on global economy as a whole. Specifically for the Company, up until April, no special deviations from the objectives it had set have been recorded. During May, first signs of impact on the objectives were given, which is likely to be kept throughout summertime due to the seasonality of the business.

Group Management assesses any new information that arises from the development of the pandemic on an ongoing basis and the relevant decisions taken by the Authorities, and regularly adapts its planning, driven mainly by its concern to protect the Group's economic position.

Meanwhile, the Group has adopted measures to reduce the operating cost and strengthen its economic position in order to prevent any significant impact on its initial estimate of its operating results for 2020.

The above disclosures have been based on updated information about the progress of the pandemic and the restrictive measures announced by the State, take into account the relief measures and the outcome of the actions taken by Company Management to boost the Group's economic position.

However, it is noted that this phenomenon is in full swing and as such the above estimates and assumptions of Management are highly uncertain. Such data may radically change and could result in an upturn insofar as methods to deal with the pandemic are found soon and in particular a vaccine and effective measures supporting economic activity are implemented, or in a downturn if the situation gets worse and the pandemic is here to stay for the long term.

Implications for the Group's financial position

Management is at the stage of reassessing its commercial activity and relevant cash flows, by using revised assumptions and incorporating negative scenarios in the assessment of actual and potential financing needs, taking into account the main effects determined above.

The Group safeguards its cash flows, making its best efforts to maintain adequate working capital and identifying areas of cost savings, if possible, as already cited in the paragraph on Management actions.

Measures taken to tackle the pandemic of coronavirus disease 2019 (COVID-19)

To deal with the emergency created by the pandemic of coronavirus disease (COVID-19), the Company has set the following three main goals:

I. To protect the health and safety of its employees and partners
II. Group's business continuity
III. Measures to cut down on the operating cost and strengthen the Group's economic position

I. **Protection of the health and safety of employees, customers and partners**

The Group's primary concern is to protect the health of its employees, customers and partners. To this end, the Group took in good time a number of preventative measures, giving specific directions about the actions that each employee should take in case symptoms of the disease are noticed.
Remote work was put into practice early in the pandemic by more than 70% of the personnel, with the minimum number of security employees kept in the offices. Meanwhile, all business trips and live meetings have been cancelled, and are now carried out through teleconference or video-conference. Moreover, certified crews of external partners regularly disinfect the office buildings.

II. Business continuity

As soon as the coronavirus pandemic broke out, the Company set up a Crisis Management Team in order to ensure continuous update about the taking of appropriate measures to protect its employees, and implemented a specialized business continuity plan which allows the Group's current operations and services to continue through remote work, drawing on the relevant technological capabilities.

III. Measures to restrain the operating cost and strengthen the Group's economic position.

Management made decisions to cut down the operating cost and strengthen the Group's economic positions, which are summed up as follows:

- They made use of all the relief measures announced by the State with respect to the affected entities in order to secure adequate liquidity even in case the pandemic gets worse and is here to stay for the long term.
- Actions were taken to further improve liquidity by extending the payment time of liabilities to suppliers, negotiating rental fees beyond legal provisions and for a longer period of time and by deferring supplies that are not absolutely necessary.
- Rotation work of the employees was decided in accordance with the terms and conditions prescribed by the laws in conjunction with the Company's operational needs for a period of 2 weeks during Easter holidays.

N. Kifisia, 01/06/2020

THE CHAIRMAN & MANAGING DIRECTOR	THE MEMBER	THE CHIEF FINANCIAL OFFICER	THE HEAD OF ACCOUNTING DEPARTMENT
IOANNIS THEODOROPOULOS ID No P653471	GEORGIOS EFSTRATIADIS ID No AN098563	THEODORA BENETATOU ID No P075261	AFRODITI PYRGIOTAKI ID No X046755 Greek ICPA CLASS A 4664