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ANNUAL FINANCIAL REPORT

For the year 1st January 2019 – 31st December 2019

«SPACE HELLAS S.A. »
Company's General Commercial Registry Number: 375501000
312 Mesogion Ave., Ag. Paraskevi 153 41

The annual financial report of 2019 has been prepared in accordance with art. 4, Law 3556/2007, has been approved by the Board of Directors on 31st March 2020 and has been uploaded at the URL address http://www.space.gr,

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1 STATEMENTS OF MEMBERS OF THE BOARD (In accordance with article 4 par.2 of Law 3556/2007)

The Members of the Board of Directors

- Spyridon D. Manolopoulos, Chairman of the Board, executive member
- Mertzanis A. Ioannis, Chief Executive Officer, executive member
- Ioannis Doulaveris Chief Financial Officer, executive member.

acting by virtue of the aforementioned membership and especially designated, we declare and certify that, as far as we know:

1. The annual financial statements of the Group and of company SPACE HELLAS SA for the financial year from January 1, 2019 to December 31, 2019, which were prepared according to International Financial Reporting Standards, present truly and fairly the assets and liabilities, the equity and the financial results of the Company, as well as of the consolidated companies as a whole, according to par. 3 to 5 of article 4 of L. 3556/2007 and

2. The enclosed report of the Board of Directors reflects in a true manner the development, performance and financial position of the Company and of the businesses included in Group consolidation, taken as a whole, including the description of the principal risks and uncertainties.

Agia Paraskevi, 31 March 2020

The Designated members of the Board of Directors

The Chairman of the Board	Chief Executive Officer	Member and Chief Financial Officer
S. Manolopoulos	I. Mertzanis	I. Doulaveris

2 ANNUAL REPORT OF THE BOARD OF DIRECTORS FOR THE FINANCIAL PERIOD 1.1.2019 – 31.12.2019

This Report of the Board of Directors of SPACE HELLAS, submitted to the Shareholders, refers to the financial year from January 1, 2019 to December 31, 2019 and is compliant to the provisions of the Greek Companies' Act, L. 4548/2018 (art. 150 to 154) as well as art. 4 § 7 L.3556/2007 and related HCMC circulars.

This report is divided in subsections with the aim to present in a fair, summarized, yet substantial manner all the information in accordance with the abovementioned legal framework in order to provide substantial and well documented information regarding the activities of the company and the Group for the related period.

The sections of the report provide information regarding:

- The financial position of the Group and the Company, and additional related information for the financial year 2019.
- The important issues that took place during the financial year 2019 and their impact on the financial statements.
- The perspectives and strategic aims of the Group and the Company,
- The risk and uncertainties of the Group and the Company,
- The Group's Corporate Governance practices,
- The transactions with related parties during 2019,
- The important issues that took place after the end of the financial year 2019.

The key information reference of this report is the consolidated financial data of the Company and its affiliated companies, and with reference to the individual (non-consolidated) financial data of the Company, only where it is deemed appropriate or necessary for a better understanding of its content

The present report is included in its entirety in the Annual Financial Report of year 2019, along with the financial statements and the rest of the necessary information, the relevant declarations and the explanatory notes.

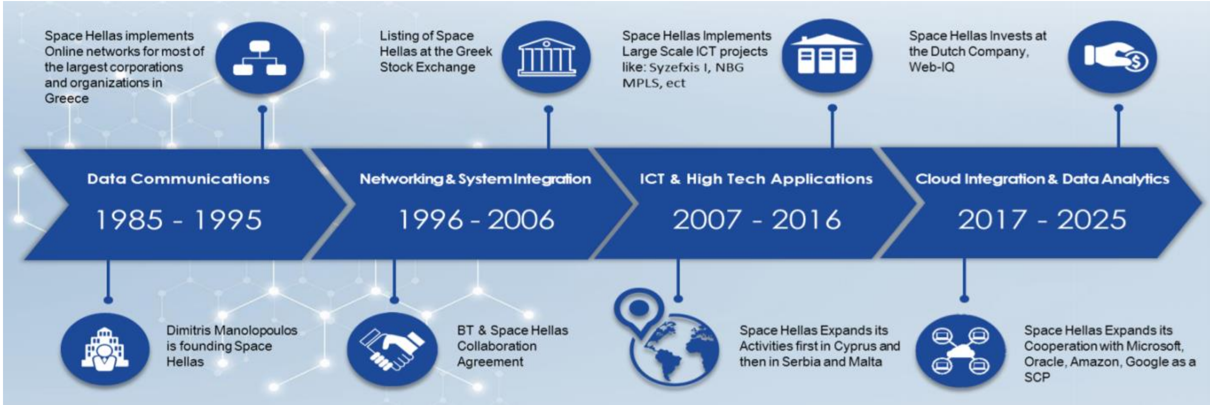
The amounts in this report are presented in Euro thousands, unless expressly stated otherwise

The Annual Report is available to in the URL address, http:/www.space.gr, together with the financial statements and the auditor's report.

2.1 FINANCIAL POSITION – PERFORMANCE – OTHER INFORMATION

2.1.1 Business Model

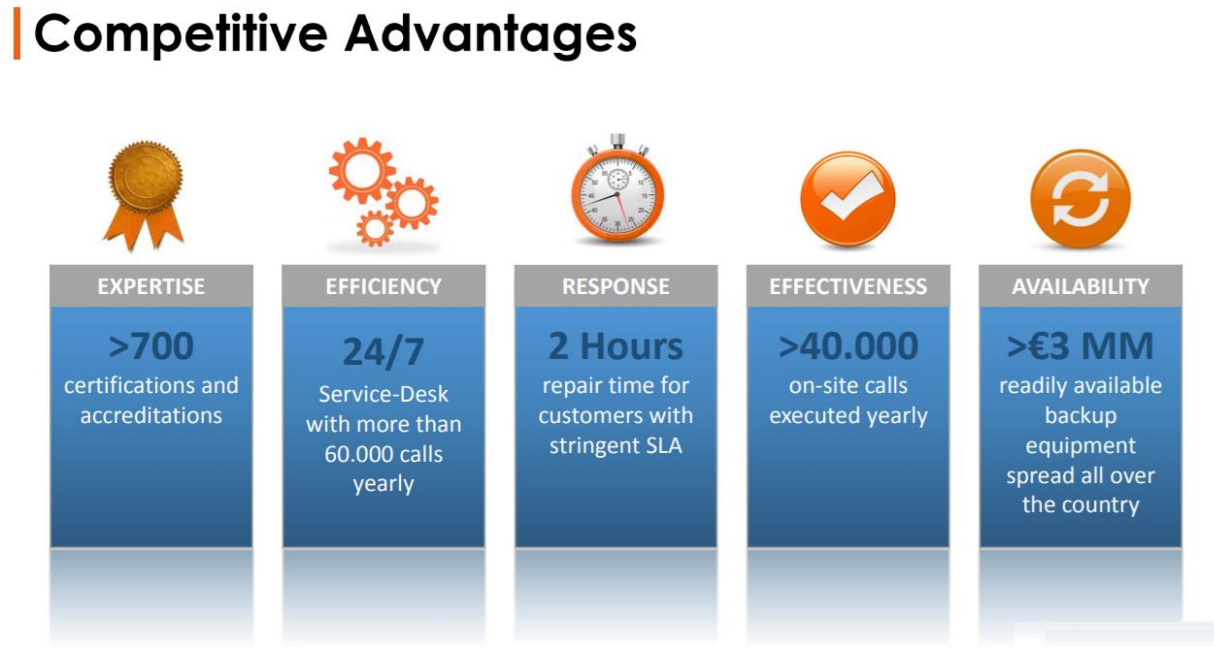
For more than 30 years, Space Hellas has consistently confirmed its leading role in the ICT market (Information and Communication Technologies), whether in the design, installation and configuration of complex Informatics and Security infrastructures or in the implementation and completion of demanding System Integration projects.



Space Hellas is a leading System Integrator and Value Added Solutions Provider in Telecommunications, Informatics and Security. It offers complete technological solutions, certified by ISO 9001: 2015 quality assurance standard and ISO / IEC 27001: 2013 information security, which ensures that its procedures include all the necessary audits in terms of confidentiality, integrity and availability of information so that Data and resources involved in any commercial activity are protected.

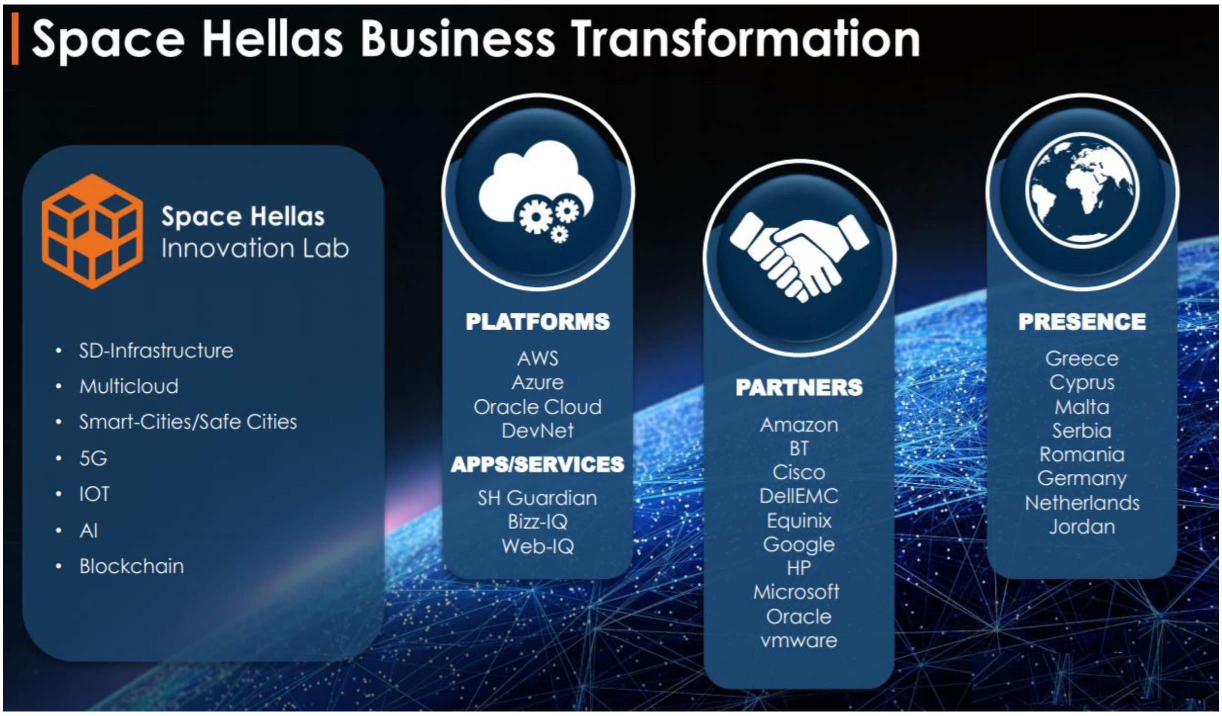
As an innovative company, is a pioneer in new technological trends such as Cloud Based Services, Internet Of Things, Smart Cities, Big Data, Blockchain, AI, etc. Its wide range of solutions and services covers all kinds of needs in ICT (Information and Communication Technologies) and security technologies such as data communications, IT and IT infrastructure, telecommunications, unified communications, information security and physical security, audiovisual systems, etc. Also, managed services, consulting, training and transfer of know-how, project management, as well as information security system development services, program development services are provided. personal data protection in order to adapt to the requirements of the GDPR and DPO Services.

Space Hellas offers unparalleled quality of technical support services to its customers according to the IT management service standard ISO 20000: 2018 and through the award-winning state-of-the-art Network and Security Business Operations Center, which operates according to the ITILv3 standard. serves the largest companies, financial institutions and public organizations on a 24-hour basis, offering the possibility of repairing damage within 2 hours for customers who have strict SLAs. Through this, all technical support services are coordinated at the national level, but also abroad.



Its clientele includes the largest banks and private companies, industries, store chains, telecommunications service providers, ministries and government agencies, as well as the Armed Forces.

The superiority of Space Hellas is recognized by its customers who trust it in the course of its many years of presence. The company has entered into strategic partnerships with the most important international high-tech providers, which allows it to successfully carry out large and complex projects for companies of high prestige and organizations in Greece, but also abroad.



Space Hellas' commitment to Research and Development offers a significant lead in ICT markets (IT and Communication Technologies), and security that revolve around innovation and knowledge activities. The company's ongoing investments, as well as its participation in National and International research and innovative programs in close cooperation with internationally recognized organizations, enable it to identify excellent opportunities for innovation, explore and develop new technologies and implement the acquired knowledge in the direction of meeting the future and ever-changing requirements of its customers.

2.1.2 Financial data

In the aftermath of the deep and multifaceted crisis, with Greece showing the first signs of moving away from it, with the economic climate index climbing to the highest levels in the last twelve years and a significant boost to the optimism of Greek entrepreneurship, the year starts with the best omens for further improvement not only of the main economic indicators of Greece but also of the psychology and trust of professionals, households and consumers. This climate is reversed by the arrival of a new coronavirus (COVID-19), the spread of which has been assessed by the World Health Organization as a pandemic. The intense concern for global health from this dangerous disease, and its rapid spread, as the number of cases and deaths increases alarmingly, resulting in the enormous loss of human lives, requires countries to take drastic measures to restrain. social contacts and practices, which mean a corresponding reduction in economic activity on a global scale.

Pillars of the economy such as tourism, transport, starting with aviation, but also passenger shipping, and HORECA, on such a landscape will decline while it seems that other industries such as bio-sciences will be strengthened, but overall there will be a decline.

On the other hand, fiscal and monetary policy measures will help reduce the damage to individual economies. Statements from the fiscal authorities, central banks and international organizations so far suggest that its response will be strong in the affected countries, however this does not guarantee the achievement of the desired result as the pandemic is still spreading.

Space Hellas group, in the context of its obligation to disclose information (market disclosure), estimates that at this stage there is no significant impact on its fundamentals and its financial situation. However, the uncertainty still exists and therefore we will always look at new developments and we will inform further in the financial statements of the semester or earlier if this is deemed necessary.

Following the above, Space Hellas Group, as part of the country's economic life, is inevitably affected by the above developments, but at the same time its position as a leading System Integrator and Value Added Solutions Provider in the field of telecommunications, information and security, enables to respond immediately to these difficult times and to implement, as far as possible, its plan for the smooth operation of his activities.

The Group’s effort to be competitive is continuous and is essentially based on the know-how, skills and dedication of his people, as well as the ongoing investments that take place throughout the crisis.

The activities of the company were in accordance with the current legislation and its purposes as defined in its articles of association.

More detailed data of the financial statements compared to those of the previous period are provided in the following pages.

2.1.2.1 Year's total income

Amounts in € thousand	Group			Company		
	01.01-31.12.2019	01.01-31.12.2018	CHANGE %	01.01-31.12.2019	01.01-31.12.2018	CHANGE %
Revenue	72.250	66.112	9,28%	69.602	62.819	10,80%
Gross profit/loss	15.884	15.887	-0,02%	14.932	14.298	4,43%
Gross profit margin	22%	24%		21%	23%	
EBITDA	6.283	5.942	5,74%	5.289	4.454	18,75%
EBIT	4.471	4.720	-5,28%	3.498	3.238	8,03%
Earnings before taxes	2.151	2.081	3,36%	1.609	1.532	5,03%
Earnings after taxes	1.516	1.218	24,47%	1.233	984	25,30%

The Group's turnover amounted to € 72.250 thousand compared to € 66.112 thousand of year 2018 showing an increase of 9,28%, attributed mainly to the second half year 2019, as results of the completion of projects previously concluded and the Group's efforts to expand in new markets.

The Group's Gross profit amounted to € 15.884 thousand compared to € 15.887 thousand of the previews year showing a slight decrease 0,02% attributable to a decrease of the gross profit margin.

The Group's EBITDA amounted to € 6.283 thousand compared to € 5.942 thousand of the previews period showing an increasing pattern.

The Group's EBIT amounted to € 4.471 thousand compared to € 4.720 thousand of the previews year showing a decrease attributable to the increased depreciations.

The Group's earnings before taxes amounted to € 2.151 thousand compared to € 2.081 thousand of the previews period, showing an increase of 3,36%.

The Group's earnings after taxes amounted to € 1.516 thousand compared to € 1.218 thousand of the previews period showing a significant increase of 24,47%.

Statement of comprehensive income

The other comprehensive income after taxes for the current year comprises the amount of € 153 thousand from the recalculation of deferred tax of the revaluation reserve, due to the change of the income tax rate, the net amount of € -24 thousand from actuarial results (IAS 19) and the amount of € -6 thousand, of currency differences from the consolidation of subsidiaries.

The other comprehensive income after taxes of previews year comprises the net amount of -245 thousand from the revaluation of assets, and the amount of € 30 thousand from actuarial results (IAS 19) after taxes and the amount of 9 thousand, of currency differences from the consolidation of subsidiaries.

2.1.2.2 Assets

Amounts in € thousand	Group			Company		
	01.01-31.12.2019	01.01-31.12.2018	CHANGE %	01.01-31.12.2019	01.01-31.12.2018	CHANGE %
Total Assets	69.140	58.268	18,66%	67.906	57.224	18,67%
Total noncurrent receivables	22.709	19.944	13,86%	22.628	19.929	13,54%
Inventories	6.625	4.416	50,02%	6.625	4.416	50,02%
Trade receivables	14.722	16.163	-8,92%	14.639	15.933	-8,12%
Other receivables	25.084	17.745	41,36%	24.014	16.946	41,71%

The Group's Total Assets amounts to € 69.140 thousand compared to € 58.268 thousand of year 2018 attributable mainly to the increase of the turnover during the second half.

The Group's noncurrent receivables' net value, amount to € 22.709 thousand compared to € 19.944 thousand of year 2018 attributable mainly to the adoption of IFRS 16 as well as to the continues effort for assets renewal.

The Groups' inventories of goods, raw and auxiliary materials and consumables amount to € 6.625 thousand compared to 4.416 thousand of year 2018 following the group's turnover trend as well as the execution projects that extend beyond the year.

The Group's Trade receivables amount to € 14.722 thousand compared to € 16.163 thousand of year 2018 showing an increase of 8,92%, as the average collections period is decreased.

The Group's other receivables amount to € 25.084 thousand compared to € 17.745 thousand of year 2018. Mainly due to the increase of cash equivalents and secondly to the increase in advances to suppliers in connection to ongoing projects

2.1.2.3 Liabilities

Amounts in € thousand	Group			Company		
	01.01-31.12.2019	01.01-31.12.2018	CHANGE %	01.01-31.12.2019	01.01-31.12.2018	CHANGE %
Total Liabilities	69.140	58.268	18,66%	67.906	57.224	18,67%
Shareholders' Equity	16.390	15.139	8,26%	15.391	14.416	6,76%
Long term loans	15.307	12.674	20,77%	15.307	12.674	20,77%
Long term leases	1.183	0		1.181	0	
Other long term liabilities	1.592	1.296	22,84%	1.592	1.296	22,84%
Short term loans	9.682	8.606	12,50%	9.682	8.606	12,50%
Short term leases	192	0		182	0	
Other short term liabilities	24.794	20.553	20,63%	24.571	20.232	21,45%

IFRS 16 was applied by recognizing its overall effect on the "Retained earnings balance" account without adjusting the comparative amounts for 2018 (note 4.5.3.1).

The Shareholders' equity amounts to € 16.390 thousand compared to € 15.139 thousand.

The Group's long term loans amounts to € 15.307 thousand compared to € 12.674 thousand compared to year 2018. The loans concern:

- The mortgage loan ending at 2021, of initial amount € 1.500 thousand, and after interest and principal payments amounting to € 250 thousand.
- The mortgage loan ending at 2021, of initial amount € 1.000 thousand, and after interest and principal payments amounting to € 125 thousand.
- The mortgage loan ending at 2021, of initial amount € 500 thousand, and after interest and principal payments amounting to € 125 thousand.
- The mortgage loan ending at 2024, of initial amount € 2.700 thousand, and after interest and principal payments amounting to € 1.534 thousand.

- The mortgage loan ending at 2026, of initial amount € 5.976 thousand, and after interest and principal payments amounting to € 3.010 thousand.
- The mortgage loan ending at 2022, of initial amount € 1.500 thousand, and after interest and principal payments amounting to € 562 thousand.
- The mortgage loan ending at 2022, of initial amount € 2.000 thousand, and after interest and principal payments amounting to € 875 thousand.
- The mortgage loan ending at 2022, of initial amount € 1.000 thousand, and after interest and principal payments amounting to € 357 thousand.
- The mortgage loan ending at 2022, of initial amount € 1.000 thousand, and after interest and principal payments amounting to € 500 thousand.
- The mortgage loan ending at 2022, of initial amount € 2.000 thousand, and after interest and principal payments amounting to € 2.000 thousand.
- The mortgage loan ending at 2023, of initial amount € 2.000 thousand, and after interest and principal payments amounting to € 1.830 thousand.
- The mortgage loan ending at 2023, of initial amount € 2.500 thousand, and after interest and principal payments amounting to € 1.786 thousand.
- The mortgage loan ending at 2023, of initial amount € 500 thousand, and after interest and principal payments amounting to € 344 thousand.
- The mortgage loan ending at 2024, of initial amount € 2.000 thousand, and after interest and principal payments amounting to € 2.000 thousand.

The fair value of the short and long term borrowings approximates the book value. The rate used in the company's and the Group's borrowings is floating and renegotiable within a six-month period. The average interest rate applied is 4,40%.

The Group's other long term liabilities amount to € 1.592 thousand compared to € 1.296 thousand of year 2018.

The Group's short term loans amount to € 9.682 thousand compared to € 8.606 thousand of year 2018

The Group's other short term liabilities amount to € 24.794 thousand compared to € 20.553 thousand of year 2018.

2.1.2.4 Cash Flow

	Group		Company	
Amount ins € thousand	01.01-31.12.2019	01.01-31.12.2018	01.01-31.12.2019	01.01-31.12.2018
Total cash inflow/(outflow) from operating activities	4.855	3.811	4.219	2.372
Total cash inflow/(outflow) from investing activities	-3.784	-1.409	-3.197	-82
Total cash inflow/(outflow) from financing activities	2.853	3.062	2.865	3.062

Cash flow from operating activities, is positive amounting to € 4.855 thousand. This result is reaffirming the Group's capability of generating cash from turnover.

Cash flow from investing activities is negative amounting to € -3.784 thousand attributable to the execution of the investment plans

The cash flow from financing activities is positive amounting to € 2.853 thousand. This result provides a confirmation of the Group's ease of access to financial institutions for the financing of its activities and the trust it enjoys in its strategic choices.

2.1.2.5 Performance ratios

The Group measures its performance using commonly accepted ratios.

		Group		Company	
		31.12.2019	31.12.2018	31.12.2019	31.12.2018
A.	**LIQUIDITY RATIOS**				
A1.	CURRENT RATIO	133,93%	131,44%	131,49%	129,33%
A2.	QUICK RATIO	114,82%	116,29%	112,25%	114,01%
A3.	ACID TEST RATIO	49,28%	45,13%	47,28%	42,98%
A4.	WORKING CAPITAL TO CURRENT ASSETS	0,25	0,24	0,24	0,23
B.	**CAPITAL STRUCTURE RATIOS)**				
B1.	DEPT TO EQUITY	321,83%	284,88%	341,20%	296,95%
B2.	CURRENT LIABILITIES TO NET WORTH	211,51%	192,60%	223,73%	200,04%
B3.	FIXED ASSETS TO NET WORTH	133,39%	132,94%	141,00%	63,00%
B4.	OWNER'S EQUITY TO TOTAL LIABILITIES	31,07%	35,10%	29,31%	33,68%
B5.	CURRENT ASSTS TO TOTAL ASSETS RATIO	67,15%	65,77%	66,68%	65,17%
C.	**ACTIVITY RATIOS**				
C1.	INVENTORIES TURNOVER RATIO	10,21 times	12,56 times	9,9 times	12,14 times
C2.	FIXED ASSETS TURNOVER RATIO	3,31 times	3,28 times	3,19 times	3,12 times
C3.	DAYS OF SALES OUTSTANDING (D.S.O)	65,11 days	70,75 days	66,49 days	72,11 days
C4.	ASSET TURNOVER RATIO	1,04 times	1,138 times	1,02 times	1,10 times
C5.	OWNER'S EQUITY TURNOVER RATIO	4,41 times	4,37 times	4,52 times	4,36 times
D.	**PROFITABILITY RATIOS**				
D1.	RETURN ON EQUITY	9,61%	8,17%	8,27%	6,88%
D2.	RETURN ON ASSETS	2,36%	2,24%	1,95%	1,84%
D3.	GROSS PROFIT MARGIN	21,98%	24,03%	21,45%	22,76%
D4.	NET PROFIT MARGIN	2,98%	3,15%	2,31%	2,44%
D5.	RETURN OF INVESTMENT	24,18%	21,82%	22,10%	19,06%
D6.	EFFICIENCY OF TOTAL ASSETS	13,12%	13,74%	10,46%	10,62%
D7.	RETURN ON TOTAL CAPITAL EMPLOYED	6,50%	7,66%	5,82%	6,83%
D8.	FINANCIAL LEVERAGE RATIO	0,62 φορές	0,66 φορές	0,41 φορές	0,39 φορές
E.	**OPERATING EXPENSES RATIOS**				
E1.	OPERATING RATIO	94,76%	92,40%	95,73%	94,38%
E2.	INTEREST RATIO	1,92 times	1,87 times	1,69 times	1,64 times
E3.	OPERATING EXPENSES TO NET SALES	16,75%	16,43%	17,18%	17,14%
E4.	LOANS TO TOTAL ASSETS	36,14%	36,52%	36,80%	37,19%

2.1.2.6 Share Capital

The company’s shares are ordinary registerd shares and have been listed in ASE since 29.09.2000

There are no changes during the period.

Number of shares and nominal value	31.12.2019	31.12.2018
Paid up capital	6.973.052,40	6.973.052,40
Number of ordinary shares	6.456.530	6.456.530
Nominal value each share	1,08 €	1,08 €

The earnings per share have been calculated taking into account the weighted average number of ordinary shares in issue which, for the period was 6.456.530.

2.1.2.7 Own Shares

The company does not possess any own shares as at 31-12-2019.

2.1.2.8 Dividend policy

According to the current legislation, the company is legally obliged to form the legal reserve and to distribute to its shareholders, at least the 35% of the earnings that are distributable according to IFRS, after the calculation of taxes and legal reserve.

The dividends are proposed by the management of the company at the end of each fiscal year subject to the approval of the Annual Ordinary General Meeting of shareholders.

The Board of Directors of the company will propose to the General Assembly the statutory withholding for the creation of a regular reserve and the distribution of the mandatory dividend which amounts to 35% of the profits that can be distributed after the deduction of tax and the regular reserve

Note that according to law 4646/2019, the profits distributed by legal entities, from the year 2019 onwards, are subject to withholding tax at a rate of 5%.

On 24.05.2019 the General Assembly decided the distribution of part of special reserve, for the amount of € 387 thousand, that is € 0,06 per share, setting the Beneficiary Identification Date, Friday 5 July 2019, and Dividend Date, Thursday , July 4, 2019, Distribution Date: Wednesday, July 10, 2019, and Alpha Bank as the paying bank.
The above reserve for distribution is part of the dividends received from the subsidiary SPACE HELLAS (CYPRUS) LTD.

2.1.2.9 Participating interests and investments

Corporate name	Country	Sector	Ownership percentage		Consolidation method
			Direct	Indirect	
Subsidiaries					
SPACE HELLAS (CYPRUS) LTD	Cyprus	ICT	100%	-	Full Consolidation
SPACE HELLAS SYSTEM INTEGRATOR S.R.L.	Romania	ICT- Investment Properties	-	99,45%	Full Consolidation
SPACE HELLAS Doo Beograd-Stari Grad	Serbia	ICT	-	100%	Full Consolidation
SPACE HELLAS (MALTA) LTD	Malta	ICT	-	99,98%	Full Consolidation
SPACE ARAB LEVANT TECHOLOGIES COMPANY	Jordan	ICT	-	100%	Full Consolidation
Associates					
Web-IQ B.V.	Netherlands	Specialiased applications	32,28%	-	Equity methid
Other investments					
MOBICS S.A.	Greece	Software Development	18,10%	-	-

2.1.2.10 Commitments -Guarantees

The contingent liabilities for letters of guarantee granted both for the Company and the Group are the Following

	Group		Company	
Amounts in € thousand	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Guarantee letters to secure good performance of contract terms	5.886	3.424	5.886	3.424
Total contingent liabilities	**5.886**	**3.424**	**5.886**	**3.424**

On 31.12.2019 and 31.12.2018 as well, there weren't any outstanding guarantee letters to secure good performance in favor of associates of joint ventures

2.1.2.11 Excess clause provisions and Disputed claims

There are no cases are that might have significant impact on the financial position both of the Group and the Company.

2.1.2.12 Other contigent liabilities

For the unaudited tax years of the Group companies as mentioned in note 4.6.30, there is the possibility of imposing additional taxes and surcharges at the time of their examination and finalization by the competent tax authorities. The company has formed a cumulative provision of € 61 thousand in order to cover the possibility of imposing additional taxes in the event of an audit by the tax authorities. For the other Group companies, no provision has been made for unaudited tax years as it is estimated that the charge for the imposition of additional taxes will be insignificant.

For the foreign subsidiaries there is no statutory tax audit framework. Audits are carried out exceptionally where appropriate by the tax authorities of each country on the basis of specific criteria. Tax liabilities resulting from the submission of the annual tax return remain under the control of the tax authorities for a certain period of time, in accordance with the tax laws of each country.

For the years 2011 to 2015 the parent has been audited by the Certified Public Accountants as provided by para. 5, art. 82, N2238 / 1994, the provisions of the Circular 1159 / 26-7-2011 as well as the article 65A of N4174 / 2013 to obtain the tax certificate from the statutory auditors. From the year 2016 onwards, the tax certificate is optional. Upon completion of the tax audit, the statutory auditor or audit firm issues to the company a "Tax Compliance Report".

For the parent company and its Greek subsidiaries this audit is concluded for the fiscal years 2011 to 2018 and the tax audit reports were issued without any qualification

There is ongoing tax audit of the company for the year 2019 by statutory auditors, from which no significant additional charges are expected to arise.

Except the above mentioned there are no other contingent liabilities.

2.1.3 Other information

2.1.3.1 Branches

The operating branches (except the company’s headquarters on 312, Mesogion Ave. Agia Paraskevi,) as at 31.12.2019 are the following:

No	Establishment	Address
1.	Cholargos	302 Ave. Mesogion Cholargos
2.	Cholargos	6 Loch. Dedousi Str, Cholargos
3.	Thessaloniki	G.-I. Kar. & P. Kyrillou, Thessaloniki
4.	Athens	Em. Mpenaki 59, Athens
5.	Patra	Gkotsi 26-28, Patra
6.	Crete	G. Gennimata 62, Crete
7.	Ioannina	D. Hatzi 45, Ioannina
8.	Larissa	14 str Canada & N. Plasitra, Farsala
9.	Cyprus	Griva Digeni 81-83 Nicosia

The company periodically monitors and evaluates the effectiveness of its geographic expansion through its branches.

2.1.3.2 Personnel figures

Group Management is based on a team of experienced and competent executives who are fully aware of their subject matter and market conditions, contributing to the smooth operation and further development of the Group.

The Group respects the employees, develops their abilities, provides them with the communication and all the necessary resources they need and strengthens their role.

A table showing the average number of employees of the company and the Group employed during the current and previous years, as well as the salary, wages and salaries and insurance charges, is broken down into categories as follows:

Amounts in € thousand	Group					
	Persons		Total salary		Social security charges	
	2019	2018	2019	2018	2019	2018
	360	330	10.039	9.062	2.459	2.242

Amounts in € thousand	Company					
	Persons		Total salary		Social security charges	
	2019	2018	2019	2018	2019	2018
	358	329	10.030	9.055	2.459	2.242

2.2 ALTERNATIVE PERFORMANCE MEASURES

The European Securities and Markets Authority (ESMA / 2015 / 1415el) published the final guidelines on Alternative Performance Measures (APMs) applicable from 3 July 2016 to securities companies traded on organized exchanges. APMs are disclosed by publishers when publishing regulated information and are intended to enhance transparency and promote the usefulness and fair and full information of the investing public.

The Alternative Performance Measurement Score (EMMA) is an adjusted economic measurement of historical or future economic performance, financial position or cash flow, other than the economic measurement set out in the applicable financial reporting framework. That is to say, APM does not rely exclusively on the standards of financial statements, but provides substantial additional information, excluding elements that may differ from operating results or cash flows.

EMMA should always be taken into account in conjunction with the financial results prepared under IFRSs and should under no circumstances be considered as replacing them. The Group uses the Custom Indicators (EMMA) to better reflect the financial and operating performance related to the Group's activity as such in the reference year as well as the corresponding previous comparable period.

Adjusting elements

Figures influencing the adjustment of the indices used by the Group to extract the ALPs according to the first half financial statements 2019 and the corresponding financial statements of the prior period are the provisions for trade receivables impairment.

The elements affecting the adjustment of the indicators (ALPs) on 31.12.2019 and 31.12.2018 are shown in the table below:

	Group	
Amounts in € thousand	**31.12.2019**	**31.12.2018**
Comprehensive Income Statement		
Provisions for impairment	233	256
Total	**233**	**256**

Based on the above adjustments, the EMMAs used by the Group are formed as follows:

Adjusted EBITDA

The adjusted EBITDA for year 2019 is 4% higher than EBITDA, while compared to previews period, results to be increased by 5,13%

Adjusted EBIT

The adjusted EBIT for year 2019 is 5% higher than EBIT, while compared to the previews period, results to be increased by 5,47%.

Adjusted Cash Flows After Investments
The, Adjusted Cash Flows after investments for the current and the previews period as well are increased by 22% compared to Cash Flows after investments. while compared to the previews period, results to be decreased by 50,49% due to the increase of investing activities of the Group.

Adjusted Net Borrowing
In both the current and the previews period, the adjusted net borrowing is almost identical to the Net Borrowing.

Regarding the definition and basis of calculation of the ALPs, a larger analysis is contained in note 4.7 of this interim financial report.

2.3 SIGNIFICANT FACTS DURING YEAR 2019 AND THEIR IMPACT ON THE FINANCIAL STATEMENT

Significant facts that took place during the period from 1st January to 31th December 2019 are the following:

- Space Space Hellas establishes the Dimitris Manolopoulos Honorary Fellowship to honor the memory of its visionary and founder, Dimitris Manolopoulos, while also giving young scientists the opportunity to fulfil their ambitions in technology. This initiative, also demonstrates the support to young people who wish to pursue further studies at postgraduate level and to progress through research and innovation, with a focus on IT security, cyber security and artificial intelligence.

- The second phase of Space Hellas' investment in Web-IQ B.V. based in the Netherlands, has been completed., raising its stake from 17.21% to 32.28% for the amount of € 1.1m, through a share capital increase of Web-IQ BV, following the fulfillment of contract that was signed, providing the option for this additional percentage acquisition

- 33rd Ordinary General Meeting of Shareholders of 24-05-2019: Agenda issues discussed and decided as follows:

  - Issue 1: Submission and Approval of the Annual Financial Report (Group and Company), in accordance with International Financial Reporting Standards, for the fiscal year 01/01/2018 - 31/12/2018 which includes the Annual Financial Statements after the relevant Reports and Statements of the Board of Directors and the Certified Auditor. The Annual Financial Report (Group and Company) in accordance with International Financial Reporting Standards for the fiscal year 01/01/2018 - 31/12/2018, including the Annual Financial Statements with the relevant Reports and Statements of the Board of Directors and the Independent Auditor's Report, was approved.
  - Issue 2: Approval of year end results. The result was approved without any changes to it.
  - Issue 3: Distribution of part of Reserve Law 3943/2011 article 14, Law 4172/2013 article 48 in conjunction with POL 1007/2014 and POL 1039/2013. The distribution of part of the reserve amounting to EUR 387,391.80, ie EUR 0.06 per share, was approved.
  - Issue 4: Approval of overall management that took place during the year 1/1/2018 - 31/12/2018, according to article 108 Law 4548/2018, and discharge of auditors of any responsibility for the year 1/1/2018 - 31 / 12/2018 according to article 117 par. 1 c) Law 4548/2018. The overall management that took place during the year 1/1/2018 - 31/12/2018 was approved, according to article 108 of Law 4548/2018 and the auditors were discharged for any responsibility for the year 1/2018 - 31/12/2018 according to the article 117 par. 1 c) Law 4548/2018.
  - Issue 5: Selection of the statutory auditors for the auditing of the financial statements (corporate and consolidated) for the fiscal year 2019, in accordance with international financial reporting standards and the determination of their remuneration. The Company's auditors for the fiscal year 01-01-2019 - 31-12-2019 were elected, from the audit firm PKF Euroauditing SA, and their remuneration was approved.
  - Issue 6: Setting a remuneration policy. The remuneration policy adopted by the company in accordance with the provisions of Law 4548/2018 has been approved for a period of four (4) years after its approval.
  - Issue 7: Approval of the Board of Directors' Payments and Allowances for the fiscal year from 1/1/2018 to 31/12/2018 and preapproval of fees and allowances for the financial year from 1/1/2019 to 31/12 / 2019. The Fees for both dates were approved.
  - Issue 8: Amendment of Article 3 of the Company's Articles of Association. The amendment of Article 3 of the Company's Articles of Association was approved.
  - Issue 9: Adjustment of the Company's Articles of Association in accordance with the provisions of Law 4548/2018 - Amendment of Articles 1, 4 - 40 of the Company's Articles of Association. Adoption of the Articles of Association was approved to the provisions of Law 4548/2018, which was attached, and the

Board of Directors of the company was authorized to take all necessary steps to complete the process of amending / adapting the Articles of Association and subsequently codifying it.

- First Additional Topic: Election and audit of the Audit Company by the Public Registry for the audit of the annual and interim financial statements (corporate and consolidated) for the current fiscal year 2019 (01.01.2019 - 31.12.2019) and determination of this fee. The first additional item on the agenda was rejected.
- Second Additional Issue: Approval of the Company's share buyback plan through the Athens Stock Exchange pursuant to article 49 of Law 4548/2018, as applicable, and the provision of relevant authorizations. The second additional item on the agenda was rejected.
- Third additional issue: Appointment of an Audit Committee, in accordance with the provisions of article 44 of Law 4449/2017, as in force today, consisting solely of independent non-members of the Board of Directors. The third additional item on the agenda was rejected.
- Fourth additional issue: Increase the total number of shares (split) from 6,456,530 common registered shares to 25,826,120 common registered shares, with a replacement ratio of 4 new shares for every 1 old, with a corresponding decrease in the Company's nominal value from 1.08 Euro to 0.27 Euro and corresponding amendment to the relevant Article (5) of the Articles of Association. The fourth additional item on the agenda was rejected.
- Issue 10: Various announcements. Not made

- The distribution of part of the reserve took place, L.3943 / 2011 article 14, L.4172 / 2013 article 48 in combination with POL 1007/2014 and POL 1039/2013, to the shareholders, according to the decision from 24-05-2019 of the Ordinary General Meeting of Shareholders. The amount of the distributed reserve amounts to € 387 thousand, ie € 0.06 per share, with Date of Determination of Beneficiaries: on Friday, July 5, 2019, Termination Date: Thursday, July 4, 2019, Starting Date of Payment of Dividend 10 2019: Wednesday and Alpha Bank.
- SPACE HELLAS has developed an Information Technology Management Services System, which was tested in accordance with the requirements of the International Standard ISO 20000-1: 2011 and certified with it on 2-10-2019. Immediately after, it started the upgrade of the Information Technology Management Services System, in the new version ISO 20000-1: 2018, in order to harmonize its System with the new requirements of the Standard.
- In the 4th quarter of 2019, SPACE HELLAS started the development of Business Continuity Management System, according to the requirements of the international standard ISO 22301: 2019, improving the existing policies and Procedures of the company.

2.4 FUTURE PERSPECTIVES AND STRATEGIC GOALS BOTH AT A CORPORATE AND GROUP LEVEL

2.4.1 INTRODUCTION

The course of the Greek economy in 2019, despite significant political changes and delays observed, showed signs of recovery and strengthening optimism in the business community, resulting in a positive investment climate until the beginning of 2020. But based on the new developments for the first quarter of 2020, related to the rapid spread of coronavirus COVID-19 worldwide with unpredictable consequences for public health, almost all sectors of the world economy are expected to be affected significantly. Unprecedented emergency measures to prevent and suppress the pandemic have already been announced around the world, such as closing shops, leisure centers, hotels, banning flights, restricting travel and gathering people, and even universal traffic restrictions. At this time, it is impossible to have a clear timeline for the full suspension of the spread of COVID-19 and the end of emergency measures at the international level. The state mechanisms of many countries, including Greece and the European Union, have already been activated to effectively help reduce the economic crisis, strengthen entrepreneurship and hold jobs by announcing short-term economic support measures. Reliable analysis of the effects of declining growth rates on individual sectors of the highly fragile Greek economy and the business environment are not currently available.

The Group continued to grow steadily in 2019, increasing its financial fundamentals, having a significant amount of projects in progress with signed contracts for 2020. It also continued to invest in human resources, in know-how in the digital technologies of the future. and infrastructure in order to meet the particularly high demands of the projects under implementation and to be able to adapt more easily to any changes in the business landscape. The start of 2020 finds SPACE HELLAS with important projects in a highly expanded clientele from both the private and public sectors. The long-term collaborations at the highest level of certification with the most well-known construction companies ensure complete solutions and alternatives for all the offered products and services. The following paragraphs describe the most important of these and the prospects for the group's development internationally.

2.4.2 Private Sector

In the **private sector**, projects and technical support contracts have evolved in a similar without significant difference from those mentioned in the six-month financial report 2019 (paragraph 2.4) and many of them continue within 2020. The most important are the following:

- Long-term technical support contracts for Piraeus Bank, Alpha Bank EDATHESS
- Nationwide upgrade of CCTV Infrastructure of Avin Coral gas stations as well as in countries outside Greece such as Cyprus, Serbia, etc.
- OTE – National Bank of Greece: Contract for the support of MPLS network of NBG.
- OTE-LENOVO: Framework agreement for the supply of IT equipment and services.
- WIND: Support Contract for all Cisco Network infrastructures at national level.
- OPAP: Central IT-Infrastructure and Digital Signage projects for all agencies nationwide.
- Intrakat-Fraport for the 14 regional airports in the country that are in the process of privatization
  - Framework Agreement for the Provision of Access Control System and Surveillance System. The project comes to cover the critical subject of plant safety and protection and is part of the overall infrastructure upgrade
  - Central Aerodrome Data Network. It will be the main communication body through which data will be transferred to the major aerodrome operating systems.
- Honeywell Process Solutions: Natural Gas Transit Pipeline (TAP AG) - SCADA-Telecom Security System.

New private sector projects:

- HEDNO: Contract signed as a member of the Union of Companies for the project: Provision of Operations Implementation and Maintenance of Communications Network Contract for a contract price of € **14.9 million**
- OPAP: Equipment and satellite content transmission services in agencies nationwide
- IPTO Supply of equipment, software licenses and services for the expansion and upgrade of the existing IT Infrastructure of the Independent PowerTransmission Operator for the Cross-Border Energy System (Cross-Border Company, etc.), the new Corporate Website, new access point etc
- EDATHESS: Integrated Information System ERP, CRM, EPM, HCM, Oracle Cloud and PAAS solutions
- OTE: IP Core supply of Cisco systems for its central telecommunications infrastructure

Also a significant number of offers amounting to about **€ 20 million**, have been submitted in private bodies such as National Bank, Piraeus Bank, Municipality of Thessaloniki, OTE, OPAP, Forthnet, WIND, AIA, AXA Insurance, NN Insurance, Viochalko Group, ELPE, Lamda Development, Intralot, IPTO, HEDNO, EYDAP, PPC, ELTA, PPA, NTUA, etc.

2.4.3 Public Sector

The complex projects and maintenance contracts of the **public sector** that continue in 2020 are as follows:

- Civil Aviation Authority: Implementation of the project "Supply of AFTN / CIDIN / AMHS aeronautical transmission system". The project was successfully completed and the 2-year warranty period is in progress.
- Hellenic Atomic Energy Commission: The warranty period for the "National Observatory of Electromagnetic Fields" project has been completed and a 2-year contract for maintenance and support services has been launched.
- Ministry of Foreign Affairs: Contract for the maintenance of its NVIS project, which concerns the automation of the issuance of VISA licenses to 135 embassies and consulates of our country internationally.
- Ministry of Public Order and Citizen Protection: Contract for the maintenance of the project "Electronic identification and citizen identification services (e-TAP)".
- Ministry of Public Order and Citizen Protection: Contract for the maintenance of the project "Cybercrime Prosecution Services for the Protection of Citizens' Safety and Healthy Entrepreneurship (e-Crime)".
- Ministry of Public Order and Citizen Protection: Contract for the maintenance of the project "Remote Access for Greek Police Users (PoL 8)".
- Ministry of Public Order and Citizen Protection: The implementation of the contract for the supply of devices for reading travel documents has been completed and the 2-year warranty period is in progress.
- Civil Aviation Authority Supply Screens of Air Traffic Control Data of the Athens International Airport.
- EDET: Completion of a contract and start of maintenance services for the "DWDM infrastructure upgrade" project.

New public sector projects

- EUMETSAT: Commencement of Technical Services (framework agreement).
- Civil Aviation Authority: "Supply of Communication and Voice Recording System", of € **3.79 million** plus VAT and reservations.

- Ministry of Public Order and Citizen Protection: "Establishment of a Business Center, as the only point of contact (Single Point of Contact - S.P.O.C.)" of **€ 654 thousand** plus VAT and withholdings.
- Coast Guard: "Supply of a Communication System for the search, rescue and safety of navigation" **of € 2,044 million** plus VAT and withholdings.
- Information Society: Coexistence Project II Subproject 5 (Association of Companies): "Central Services ISP & SLA" of **€ 16.2 million** plus VAT and withholdings.
- Ministry of Education: "Supply, installation and configuration of material and software, for the implementation of a system for the safe transmission of examination and certification issues",of **€ 1.04 million** plus VAT and withholdings.
- Ministry of Education: "Supply and installation of ICT equipment for school units of Primary and Secondary Education of the Region of Western Macedonia", of **€ 3.2 million** plus VAT and withholdings.
- Ministry of Public Order and Citizen Protection in a union of companies: Extension of an automated border surveillance system in the tributary section of the Greek-Turkish border in the region of Evros and interconnection of the Regional Centers for Integrated Border Management and Migration, budget **€ 12 million.**

Projects for the public sector in the contracting stage:

- Information Society: Syzefxis II project, candidate contractor in a joint venture scheme for the following sub-projects:
  - Sub-Action 3: "Security, Telephony, Teleconferencing, Cabling Infrastructure" framework agreement with a total budget of **€ 132.6 million.**
- Ministry of Foreign Affairs: "Appointment of Visa Support Consular Officer or Consular Officer in the Visa Procedure" the company is the only company to continue in Group 3 that includes Turkey, Egypt, Israel, Lebanon, Saudi Arabia, Kuwait, Bahrain, Qatar, Iran, Algeria, Tunisia, Morocco, Oman, Yemen.

Public sector projects under evaluation:

- Civil Aviation Authority: Supply of air navigation systems for the relocation of the Athens approach by KEPATH to AIA, with a budget **of € 3 million.**
- Ministry of Economy and Development: Framework Agreement for the supply of desktop computers and LED flat screens for 19 organizations, of **€ 6,8 million.**
- Ministry of Economy and Development: Framework Agreement for the supply of desktop computers on behalf of the Greek Armed forces of **€ 1,295 million**.
- Participation as subcontractors for works related to information and communication technologies (ICT) in the tender for the construction of line 4 of the Athens Metro
- EETT: Spectrum Management OPS, budget **€ 2,106 million**.
- Coast Guard: Installation of a system of surveillance and monitoring of maritime traffic in the North Aegean, budget **€ 2.85 million**, participation as subcontractors.
- EDET - IFAESTOS: Services for upgrading the internal networks of the institutions (campus - building) and access to EDET, of **€ 7.69 million**.
- Ministry of Foreign Affairs: Three-year contract for support and upgrade of N-VIS system **€ 2.1 million.**
- Hellenic Police: Passenger Data Management System (PNR), **€ 2.9 million**.
- Ministry of Development: Supply of computers and screens for the needs of AADE / GGPS (Framework), **€ 12.9 million**.

2.4.4 Research and Development

With regard to co-financed R&D projects, eleven projects (European and National) are underway, with a total budget of **€ 5.1 million** and funding for the company of about **€ 4 million**.

EU Research funded projects

- Has a key role in the implementation of the **HEIMDALL** project (Multi-Hazard cooperative management tool for data exchange, response planning and scenario building) in the area of security and crisis management.
- Has a key role in the **5GENESIS** project (5th Generation End-to-end Network, Experimentation, System Integration, and Showcasing) to develop pan-European 5G pilot infrastructures. Space Hellas, in

conjunction with its subsidiary Space Hellas (Cyprus) Ltd., is coordinating the development of a complex 5G pilot platform in Limassol, Cyprus.

- Actively contributes to the **TRESSPASS** project (robusT Risk basEd Screening and Alert System for PASSengers and luggage), where is responsible for developing and integrating Web intelligence technologies for passenger control and risk assessment at the Border Checkpoints, based on the Voyager platform of Web-IQ.

- Participates in a key role in the **EVOLVE** project (HPC and Cloud-enhanced Testbed for Extracting Value from Diverse Data at Large Scale), where she coordinates the development of integrated applications on innovative High Performance Computing platforms.

- Particiates in the **PREVISION** (Prediction and Visual Intelligence for Security Information) project, launched in September 2019. Space Hellas contributes to the development of a complex information mining and information security management system based on the Web-IQ Voyager platform, among others.

- Under contracting stage is also the **Be Secure Feel Secure** project funded by EU regional programs through the European Innovative Actions for Urban Development (UIA) program. The project involves the implementation of a series of innovative actions to enhance the sense of security in the city of Piraeus, utilizing the results of the H2020 City.Risks project coordinated by Space Hellas.

- Two new projects of HORIZIN 2020 are in the contracting stage:

    - **PALANTIR** (Practical Autonomous Cyberhealth for resilient SMEs & Microenterprises) is the continuation of the SHIELD project and focuses on innovative financial cybersecurity services in small and medium enterprises.

    - **ASSURED** (Future Proofing of ICT Trust Chains: Sustainable Operational Assurance and Verification Remote Guards for Systems-of-Systems Security and Privacy) develops innovative methods for protecting the integrity of software units in complex information systems.

- The official announcement is expected in the first half of 2020 from the evaluation of the proposals of the first invitation of the European Industrial Development Program in the field of defense (EDIDP) in which Space Hellas will lead the consortium with the participation of 16 organizations from 8 European Member States in the area of Cyber Security and with full title "Cyber Defense Platform for Real-time Threat Hunting, Incident Response and Information Sharing (**PANDORA**). The purpose of PANDORA is to design and implement a comprehensive software solution for detecting and dealing with cyber threats, with an emphasis on endpoint security and network security, as well as a threat intelligence exchange. The project is fully in line with the objectives and operational requirements of the transnational PESCO project entitled "Cyber Threats and Incident Response Information Sharing Platform (CTISP)", coordinated by the Hellenic Ministry of Foreign Affairs (GEETHA / Cyber Defense Directorate). The total funding for Space Hellas is about **€ 1 million**, while the total project budget is **€ 7,632 million.**

<u>Nationally Funded Research Projects:</u>

- Coordinates the **NEREAS** project, which deals with the integrated supervision and optimization of energy management in merchant ships, with the development of a large data processing platform and a user interface

- Coordinates the **EMISSION** project, which involves the development of an integrated air pollution monitoring platform using IoT networks. Space Hellas is responsible for the development of the Central Platform for the collection, processing and presentation information system.

- Coordinates the **e-Polymorphisms** project, co-funded by the region of Epirus. The project is an e-health platform for the care of patients with chronic kidney disease, while Space Hellas focuses on the development of the central software and database platform.

- Actively participates in the **AVINT** project, which involves the integration of automobiles into the urban transport web. The object of Space Hellas is the Network Infrastructure and Control Center that will support the operation of the vehicles.

- Finally, in February 2020, the **OCTANT** project, coordinated by Space Hellas, began, with the development of an integrated solution for the supervision of a merchant fleet in the field of shipping.

2.4.5 INTERNATIONAL PRESENCE

The Group's activities in **international markets** continue through its subsidiaries in Cyprus, Malta, Serbia, and Jordan, as well as through global commercial activities, with an emphasis on telecommunications services and services that can be provided with remote access and international cooperation. The countries in which SPACE HELLAS provides telecommunications services outside Greece are: **Cyprus, Serbia, Malta, Germany, Slovenia, United Kingdom, Israel, Jordan, Montenegro, Albania, Bulgaria, Egypt, Tunisia, Italy, North Macedonia and Turkey.**
In addition, in cooperation with the Dutch Web-IQ company, SPACE HELLAS, which owns 32.28%, participates in international conferences, presentations and bids addressed to the global Cyber security market and applications for Real Time Web Intelligence. Special emphasis will be given to the launch of the new Web-IQ platform dedicated exclusively to the banking and insurance market for risk recognition and combating financial fraud
Projects in international markets are:

- In **Cyprus**:
  - Continuation of 13 years of service to the Department of Meteorology for the project "Provision of Meteorological Radar Services" for the Government of the Republic of Cyprus, Ministry of Agriculture, Rural Development and Environment
  - Continue to provide online crime prevention services through the WEB-IQ Voyager platform for the Cyprus Police.
  - Support for the ticketing and access control system at the GSP stadium in Nicosia.
  - Evaluation of an offer to the Cyprus Police for space surveillance systems.
  - Evaluation of tenders for HERMES (Larnaca and Pafos Airport Administrator) for the supply of:
    - Supplying a NMS platform
    - Upgrading network infrastructure.
  - Participation as a subcontractor in the competition Integrated Municipality System 5.7 million euros
  - Preparation for participation in the competition for the Access control system of the Limassol Casino.
- In **Malta**:
  - Continue the 7-year hybrid cloud service contract with the Maltese Government (MITA: Malta IT Agency)
  - Evaluation of offer for IT security system to a customer of the hotel market.
  - Preparing to participate in the competition for the new AFIS system of the Malta Police.
  - Participation in RFI for MITA's new AIOps system.
  - Participation in RFI for email security solution of MITA.
- In **Jordan**:
  - Provision of telecommunication services through the subsidiary company Space Arab Levant Technologies
- In **Germany:**
  - Provision of telecommunications services and interconnection with international data networks and cloud providers

2.4.6 PERSPECTIVES

As mentioned in detail in the previous paragraphs, the activities of the SPACE HELLAS group extend to multiple technological fields at the forefront of the digital transformation of large organizations in both the private and public sectors. At the same time, the international development effort is being strengthened. With continuous investment in human resources, research and development of new technologies and modern tools and equipment, the company is one of the most reliable and dynamically adaptable System Integrators in the field of ICT (Information Communications Technologies). SPACE HELLAS is renowned for its certified nationwide technical support network and specialized customer service center. Through the Network Operations Center (NOC) / Security Operations Center (SOC), all installation, equipment repair, on-site operations, remote management of information, telecommunications and security systems are coordinated, as well as the implementation of complex projects.

The Industry of information technology, telecommunications and security technologies where SPACE HELLAS operates, and especially the segment of Systems Integration for medium and large organizations in both the private and public sector, is not expected to have particularly negative effects from the spread of COVID-19 pandemic in mid-long horizon. In the short term, it is expected that there will be delays in equipment deliveries, modification of schedules in the implementation of projects and maintenance contracts, postponement of bid submission dates and possibly delays in the awarding of new projects. At the same time, new models of business development, teleworking and digital operation are expanding into sectors of the economy that have traditionally operated in person. The use of electronic equipment, applications and services via cloud computing, teleconferencing technologies, remote access, disaster recovery, managed services and cyber security is expected to be particularly high in growth rates compared to the past and be established on a more permanent basis by many organizations.

SPACE HELLAS is active in all the above technological fields with many important strategic agreements with global manufacturers such as (**Cisco, Microsoft, Dell-EMC, Oracle, Lenovo, NetApp, Checkpoint, HP, Fortinet, Symantec, RSA, VMware, Boss, Hickvision, Honeywell, Samsung, LG,** etc.) and has invested in trained technical staff and certifications so that it can provide comprehensive solutions and value-added services that are easily tailored to the needs of its customers. At the same time, it has a large diversified portfolio of customers so that it can quickly adapt to any negative developments in the individual sectors. For 2020, the first estimates of the year for the development of the IT market and the implementation of important projects that were budgeted for the SPACE HELLAS group were increased compared to 2019. However, according to the new data and the rapid spread of Coronavirus worldwide, it is difficult to estimate at this time the rate of revenue slowdown for the coming months. Despite any delays due to the spread of COVID-19, the signing of important contracts and the start of implementation of technological upgrade projects and support contracts for Organizations that are the backbone of the Greek economy and the public sector create a significant amount of projects in progress and prospects for next year, which are safeguards for the SPACE HELLAS group. Such organizations are: The National Bank, Alpha Bank, Piraeus Bank, OTE, Wind, Forthnet, Athens International Airport, Fraport, EDA, HEDNO, IPTO, ELPE, the Information Society with the project SYZEFXIS II, the Civil Aviation Authority, the Ministry of Civil Protection, the Ministry of Education, the Coast Guard, the Ministry of Foreign Affairs, etc. Also, contracts and collaborations with multinational groups such as British Telecom and Deutsche Telecom and the country's activity abroad contribute to the diversification of business risk. However, it is a fact that the medium-long-term effects on the world economy, and especially on the fragile Greek economy and its individual sectors, which have just shown the first signs of recovery after a long crisis, cannot be quantified at this time.

2.5 RISK MANAGEMENT AND HEADGING POLICY

The Group and the Company in the day to day business, is exposed to a series of financial and business risks and uncertainties associated with both the general economic situation as well as the specific circumstances typical of the industry.

The Group’s expertise, its highly trained and skilled staff and its state of the arte equipment, together with the development of new products will allow the Group to maintain its competitive advantage and to penetrate in new markets as well.

Furthermore, continuously adaptive to the new business environment, our structures together with the significant amount of ongoing projects allows believing that the Group will meet the critical needs of the coming year and will help minimize uncertainties.

The Group is exposed to the following:

Financial Risk Factors

The Group is exposed to various financial risks, including unpredictable fluctuations in exchange rates and interest rates, market risks, credit risks and liquidity risks. The overall risk management program of the Group seeks to minimize the possible adverse effects of these fluctuations on the financial performance of the Group.
Risk management policy is applied by the Group's management, through the assessment of the risks associated with the Group’s activities and functions and carry out the design of the methodology by selecting the appropriate financial products in order to achieve risk reduction.
The financial instruments used by the Group consist mainly of bank deposits, transactions in foreign currency at current prices or short term currency futures, bank overdrafts, accounts receivable and payables.

Foreign Exchange Risk

The Group's exposure to foreign exchange risk arises from actual or anticipated cash flows in foreign currency (imports - exports). The Group's management constantly monitors the fluctuations and the tendency of foreign currencies and evaluates each case individually, taking appropriate action where necessary, through agreements against interest rate risks. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities disclosed in a currency different from the entity's functional currency. For the foreign exchange risk which arises from future commercial transactions and recognized assets and liabilities, the group will use currency futures if required.

The main trading currencies of the Group are the Euro, and USD.

In table below there is sensitivity analysis of the earnings before taxes due to currency exchange rate changes:

Currecy	31.12.2019		31.12.2018	
USD	Exchange rate variation	Effect on profit before tax	Exchange rate variation	Effect on profit
	10%	-510	6%	-340
	-10%	510	-6%	340

- **Price Risk**

The Group is not exposed to securities price risk. The Group is exposed to risk due to the variations of the value of the goods used for trade and of the raw-materials used. In order to face the risk of impairment of inventories, a rationalized warehouse management aims to minimize the stock according to progress of the production needs. Our aim is to minimize the warehouse retention time in order to minimize the risk of impairment of inventories.

- **Interest Rate Risk**

The fluctuations in the interest rate markets can have an impact on the Group's income and the Group's operating cash flows.

It is the policy of the Group to continuously review interest rate trends and the tenor of financing needs. In this respect, decisions are made on a case by case basis as to the tenor and the fixed versus floating cost of a new loan. Thus, the amount of short term borrowings is variable. All short term borrowings are based on floating rates. Consequently, the impact of the interest rate (EURIBOR) fluctuations is directly related to the amount of loans.

However, in case the credit markets and the capital markets continue to be unstable and the availability of funds remains limited, this will increase the probability that the Group may move to higher interest rates and other costs related to the financing of debt. Thus, the careful monitoring and the interest risk management decreases the risk of significant impact on profits due to short term fluctuations.

Sensitivity analysis of Group's borrowings due to interest rate changes:

Currency	31.12.2019		31.12.2018	
euro	Interest rate variation	Effect on profit before tax	Interest rate variation	Effect on profit before tax
	1%	-230	1%	-190
	-1%	230	-1%	190

- **Credit Risk**

Credit risk lies in the cash, bank deposits, financial instruments as well as exposure to trade risk.

Receivables from customers are mainly from big organizations of the private and the public sector. The financial situation of clients is monitored closely and redefined according to the new conditions. The Group assesses the good standing of each customer, via independent assessment body or internally, taking into account its financial position, past experience and other factors, monitoring the amount of the extent of the credit line. Customer credit limits are set based on internal or external ratings in accordance with limits set by the Management. As the unfavorable economic situation of the domestic market, since the beginning of the economic crisis, creates risks for any doubtful debts, the Group's management has put mechanisms capable of such response, taking into account the structure of the client base of the Group. Regarding the exposure of the company to the risk of non-recovery of debts by the Public sector, this risk is significantly reduced as the receivable from the Public sector entities have been decreased. In addition, the current legislation, favors the offsetting of the companies between their obligations towards the Greek State with overdue receivables. For specific credit risks, provisions for losses from impairment. The backdating of collections is an issue to be managed but is not linked to the good standing of our debtors.

To minimize the credit risk on cash and cash equivalents, the Group under policies approved by the Board of Directors sets limits on the amount to be exposed. Also with regard to money market instruments, the Group only does business with recognized financial rating institutions.

- **Liquidity Risk**

Liquidity risk is addressed both by the steady stream of receipts and by providing sufficient cash resources from bank financing (focusing on funding on project basis), which is based on the excellent relationship we have with the largest credit institutions in the country and provides sufficient credit lines to finance our business plans.
In addition, excellent relationships with our suppliers, which are based on long-lasting, reliable and stable relationship, provide us with significant help in trying to smooth cash flow.

The table below summarizes the maturity profile of financial liabilities for the 31.12.2019 and 31.12.2018 respectively.

Group								
Amounts in € thousand	Total		Less than 1 Year		1 to 5 years		>5years	
	2019	2018	2019	2018	2019	2018	2019	2018
Borrowings	**24.989**	**21.280**	9.682	8.606	12.277	9.169	3.030	3.505
Lease liabilites	**1.375**	**0**	192	0	1.183	0	0	0
Trade and other payables	**24.800**	**20.559**	24.794	20.553	-	-	6	6

Company								
Amounts in € thousand	Total		Less than 1 Year		1 to 5 years		>5years	
	2019	2018	2019	2018	2019	2018	2019	2018
Borrowings	**24.989**	**21.280**	9.682	8.606	12.277	9.169	3.030	3.505
Trade and other payables	**1.363**	**0**	182	0	1.181	0	0	0
Lease liabilites	**24.577**	**20.238**	24.571	20.232	0	0	6	6

IFRS 16 was applied by recognizing its overall effect on the "Retained earnings balance" account without adjusting the comparative amounts for 2018 (note 4.5.3.1).

Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a strong investment grade credit rating and healthy capital ratios in order to support its operations and expand the Group's activities.

The group's policy is to maintain leverage targets in line with an investment grade profile. The gearing ratio is calculated by dividing the net borrowing with the total capital employed.

	Group		Company	
Amounts in € thousand	2019	2018	2019	2018
Short term Borrowings	9.682	8.606	9.682	8.606
Long term Borrowings	15.307	12.674	15.307	12.674
Less: cash and cash equivalents	-17.082	-13.158	-16.281	-12.394
Net Debt	**7.907**	**8.122**	**8.708**	**8.886**
Equity	16.387	15.139	15.388	14.416
Total capital employed	**24.294**	**23.261**	**24.096**	**23.302**
Gearing ratio	**32,55%**	**34,92%**	**36,14%**	**38,13%**

The leverage ratio is further reduced as a result of the reduction in net debt, which is declining faster than the increase in total capital. The continued creation of free cash flows, combined with the increase in EBITDA, contributes to this reduction.

Risk of COVID-19 spread

Given the high uncertainty surrounding the evolution of the coronavirus, credit rating agencies are reviewing their forecasts for the development of the global economy, as the coronavirus will hit economic growth in many countries in the first half of 2020.

The full extent of the economic cost will be uncertain for some time. Fear of transmission will reduce consumer and business activity. The more time it takes for households and businesses to get back to normal, the greater the economic impact. However, it is estimated that global efforts to curb the spread of the virus and, perhaps, the hottest weather in the Northern Hemisphere in the spring and summer will allow economic activity to recover in the second half of the year.

On the other hand, fiscal and monetary policy measures will help reduce the damage to individual economies. Statements from the fiscal authorities, central banks and international organizations so far suggest that its response will be strong in the affected countries, but this does not ensure the achievement of the desired result as the virus is still spreading.

The Space Hellas group, in the context of its obligation to disclose information (market disclosure), considers that at this stage there is no significant impact on its basic figures as well as its financial situation. However, the uncertainty still exists and therefore we will always look at the data that emerge and we will inform further in the financial statements of the semester or earlier if this is deemed necessary.

In particular, most of the group's activity is carried out with large and medium-sized customers operating in sectors with different demand for IT products and network equipment, a possible impact from Covid-19, given that due to the current situation, technological needs for communication and interoperability have on the contrary increased. The group and the company both assess the ability to meet both potential increased demand and reduce lead time to meet increased maintenance and / or infrastructure improvements in response to the collective effort to tackle the pandemic, given that in many cases telecommunications are the only means of operation and communication and as such are a priority.

Following the above, the Group is closely monitoring the developments regarding the spread of the COVID-19 coronavirus, its position as a leading System Integrator and Value Added Solutions Provider in the field of telecommunications, IT and security, gives it the opportunity to respond Immediately in these difficult times and implement, as far as possible, its plan for the smooth operation of its activities, always in compliance with applicable law and obligations as required by the official instructions of competent authorities at national level.

In this context, it takes precautionary measures for the safety of employees, which at this stage is an absolute priority, has established and maintains clear internal and external protocols for regular and urgent communication with employees and other key stakeholders.

Business travel outside Greece have stopped since the beginning of March and have been kept to a minimum within Greece and high-tech systems are being used for remote work (teleworking). Additional human resource planning has also been put in place for staff performing critical operations for operational continuity in order to minimize the risk of downtime and ensure operational continuity.

The Group has a cautious stance on the timing of the projects it has already undertaken or will undertake in the year, as, in addition to any other unforeseen factors, the spreading of the coronavirus in Greece may negatively affect the domestic IT market due to possible delays in the acquisition of equipment from abroad, as well as because some business groups may postpone for a while the launch of their investment projects on the technology front. Also, all this turbulence may affect the speed of state mechanisms in the promotion of public works.

Despite all the problems that the coronavirus can cause in the IT market, there are individual activities in the industry that may be positively affected as these conditions will change the way businesses, organizations and working groups operate and create a wider culture of fewer personal contacts and more distance communication. This is likely to create a mentality for more permanent technology solutions, especially for cloud-based services, which Space Hellas is ready to offer.

The specific conditions we are experiencing clearly affect, at least in the short term, the economic environment and lead us to assess whether we have a significant increase in credit risk (SICR). The nature of the effects of the economic shock is considered temporary and, combined with the impact of government support and relief measures, lead us to conclude that these counterbalanced forces are offset.

Using past information and more specifically the crisis of 2015 in our country we can say that the increase in credit risk did not significantly affect our company as credit risk management policies worked satisfactorily. The management estimates that at this time there is no need to change the underlying assumptions affecting IFRS 9 and consequently the increase in credit risk.

However, since the phenomenon is in full development, and despite we do not see a significant impact on the group's fundamentals today, its quantitative and qualitative effects on the operation of the Group and the Company cannot be assessed at present. More reliable estimates will be presented in the Interim Economic Status.

2.6 GOING CONCERN

The management of the Group considers that the Company and the Group have sufficient resources that ensure the smooth continuation of their operation as a Going Concern in the foreseeable future.

2.7 CORPORATE GOVERNANCE STATEMENT

1. Corporate Governance Code Applied.

The Corporate Governance Code is prepared in compliance with the provisions of applicable law. The text is codified and amended every time this Board of Directors decides. For the purpose of full disclosure to the company's shareholders, the corporate governance regulation includes legislative provisions and provisions of the Company's Articles of Association which prevail over it.

The Corporate Governance Code is prepared by the Board of Directors of the company. After approval by the Board of Directors the code is uploaded on the company's website of the company in a non-editable format. The Corporate Governance Code comes into effect from its upload to the company's website *http://www.space.gr*.

The code of corporate governance of the company includes the following chapters:
Chapter A'- Board of Directors This chapter contains the obligations and duties of Board members and the method of election and function of the Board of Directors of the Company, the Board of Directors composition and the distinction of members in non-executive and executive members, with specific references to role of the executive members, the Chairman of the Board, Vice-Presidents and CEO ,their responsibilities, the duties of non-executive members, policy of fees and obligations of Board members to uphold the company's interest.

Chapter B' – General Meeting: This chapter describes the functioning of the general meeting of the shareholders, the shareholders' rights before the general assembly, the process of identifying those entitled to attend the general meeting, the quorum, the proceedings of the general meeting, the syntax of the minutes. Reference is also made in the compliance with the principle of equality of shareholders and the ways to publish the results of the General Assembly

Chapter C' – Minority interest A reference is made to minority interest of L 4548/2018 (articles 141-144)

Chapter D' – Internal Control System – Risk Management Controls: There is a description of the Company's Internal Audit Division with detail description of the functions and duties. It also describes the functioning of the Audit Committee and a description of how the supervision of the Internal Audit is made as well as responsibilities of the Board in relation to Internal Audit and the Audit Committee

2. Corporate Governance Practices Applied

The Corporate Governance Code of the company contains corporate practices of transparency in relation to operating procedures with regard to the company's management, to ASE information, shareholders equal treatment and protection of the corporate interests.

In particular:

I. Board of Directors:

The Board of Directors is composed of nine members, five (5) of which are executive members, two (2) of which are independent non-executive members and two (2) are non-executive member. The number of non-executive directors should not be less than 1 / 3 of the total number of members. Among the non-executive directors must include at least two (2) independent members. The positions of the President of the Board and CEO cannot be assumed by the same person

The Board of Directors has the following composition

Name	Position
Manolopoulos Spyridon	Chairman, executive member
Mertzanis Ioannis	CEO, executive member
Doulaveris Ioannis	Executive member
Mpellos Panagiotis	Executive member
Paparizou Anastasia	Executive member
Mpellos Christos	Vice President, non executive member
Lagogiannis Georgios	Non executive member
Patsouras Athanasios	Independent - non executive member
Hatzistamatiou Theodoros	Independent - non executive member

The responsibilities of the executive members are decided by the Board of Directors, as well as the delegation of responsibilities to third - non-staff members, in particular executive officers.

For the current year, responsibilities were delegated to the company's President-executive member and to the Executive Director of the company, and to other executive board members as well except for the executive member Paparizou Anastasia.

To better coordinate the management of corporate affairs, the Board may appoint a committee of senior executives.

Regarding the right to bind the company through the signature, this is delegated for a certain monetary limit. Beyond this limit the decision of the Board is required.

The Board of Directors, in accordance with Law 3016/2002, takes decisions for matters relating to any fees paid to company executives, internal auditors as well as for the overall remuneration policy of the company
Especially the salary policy for the members of its board of directors is drafted in accordance with the provisions of law 4548/2018, is decided by the board of directors in a special meeting and is submitted to the approval of the general meeting. Remuneration policy remains available on the company's website free of charge, at least for as long as it is valid.

According to the company's articles of association, members of the board of directors are entitled to receive remuneration or other benefits, in accordance with the law and the provisions of the company's articles of association and, as the case may be, the company's salary policy. Any other compensation or remuneration of the members of the board of directors shall be borne by the company only if it has been authorized and approved by a special decision of the general meeting of shareholders.

Wages and other compensation of non-executive directors are determined in accordance with the Law 4548/2018

The process of setting fees is characterized by objectivity, transparency and professionalism and is free from conflicts of interest.

Each board member is required to strictly comply with the confidentiality requirements in relation to information accessed during of the company which became known to it in its capacity as a consultant.

The board members and any third party entrusted with this responsibility are forbidden to pursue their own interests contrary to the interests of the company according to article 97, Law 4548/2018

The board members and any third person entrusted with responsibilities must promptly disclose to the other board members of the same interests that might arise in transactions of the Company which fall to their duties and any other conflict own interests with those of the company or affiliates according to Law 4548/2018, which arise in the course of their duties.

Members of the Board being involved in any way in the company's management as well as executive directors are prohibited to act, without permission of the General Assembly, for own interests or on behalf of others for matters that fall into the corporate aims or to participate as personally liable partners in companies that pursue such aims.

II. <u>General Meeting.</u>

The invitation to convene the general meeting is also published on the company's website and is published in a way that ensures quick and non-discriminatory access to it, by means of which, in the opinion of the board of directors, are reasonably reliable for effectively disseminating information to the public, especially in print and electronic media with national and European scale. The company may not charge shareholders any special charge for disclosing the invitation to convene the general meeting in any of the above ways.

The invitation to the general meeting shall include at least the building with the exact address, date and time of the meeting, the issues of the agenda clearly, the shareholders entitled to participate, as well as precise instructions on how the shareholders will be able to attend the meeting and exercise their rights in person or by proxy or, possibly, remotely, as well as information at least on:

a) the rights of the shareholders of paragraphs 2, 3, 6 and 7 of Article 141 of Law 4548/2018, with reference to the deadline within which any right may be exercised, or alternatively, the deadline by which the rights may be exercised. Detailed information on these rights and the conditions of their exercise should be made available by explicit reference to the invitation to the Company's website,

b) the procedure for exercising the right to vote through a representative and in particular the forms to be used for this purpose, as well as the means and methods provided in the articles of association, according to paragraph 5 of article 128 of law 4548/2018, for the company to receive electronic notifications of appointment and revocation of representatives, and

c) the procedures for the exercise of the right to vote by correspondence or by electronic means, provided that there is a case in accordance with the provisions of articles 125 and 126 of Law 4548/2018,

Also the invitation determines the date of registration, as provided in paragraph 6 of article 124 of Law 4548/2018, noting that only persons who are shareholders on that date have the right to participate and vote in the general meeting, notifies the place to which is available the full text of the documents and draft decisions, provided for in paragraph 4 of Article 123 of Law 4548/2018, as well as the manner in which they may be taken, and states the address of the company's website let, where the information of paragraphs 3 and 4 of article 123 of law 4548/2018 are available.

If for technical reasons this information is not available, the company provides information through the website on how to supply the relevant forms in hardcopy form and send mail without charge to each interested shareholder.

In order to strengthen the transparency in the information of the shareholders, a summary of the challenge of the general assembly is also published in the Communication System "HERMES" because it is reasonably reliable and at a European scale.

Particular attention is paid to issues of conflict of interest of the shareholders' representatives who wish to participate in the meeting.

The shareholder’s representative must notify the company before the commencement of the general meeting, any specific event, which may be useful to shareholders for the assessment of the risk the representative is in conflict of interests with the shareholders.

For the purposes of this paragraph a conflict of interests may be appear, in particular where the representative:

For the purposes of this paragraph a conflict of interests may be appear, in particular where the agent:
a) is a shareholder who has controlling rights on the company or other legal person or entity controlled by a shareholder, who has control of the company,
b) is a member of the board or the management of the company or controlled by a shareholder that has control of the company or other legal person or entity controlled by a shareholder who has control of the company
c) is officer or public auditor of the company or controlled by a shareholder that has control of the company or other legal person or entity controlled by a shareholder who has control of the company,
d) is husband/wife or first degree relative to one of the individuals abovementioned in paragraphs a) to c)

The appointment and revocation or replacement of the representative or representative of the shareholder shall be made in writing or by electronic means and shall be submitted to the company at least forty-eight (48) hours before the scheduled date of the meeting. In order to notify the company by electronic means, within the above deadline, it is required to send an email or fax. In addition to the Chairman of the Board of Directors, the General Meeting shall be chaired by the CEO, CFO, executives of the company's corporate structure or legal advisers, as the case may be, the Internal Auditor, the Chairman and / or the members of the Audit Committee and the external auditors of the financial statements of the company and, if required, provide information and briefing on matters within their competence that are put up for discussion and answer shareholders' questions on the issues them.

The President of the General Assembly, according to the circumstances, provides the necessary time to the shareholders in order to ask questions.

The discussions and decisions taken by the General Assembly are recorded and summarized in a special book. The Secretary keeps the minutes of the General Assembly making sure to list all of the points of view or questions that the shareholders might make and responses to these questions.

The President of the Meeting, at the request of a shareholder, is required to file in the book of minutes an accurate summary of his opinion. This book contains also a list, in accordance with Law 4548/2018, of the shareholders that were present or represented at the general assembly.

Each share confers the right to vote. All shareholders' rights, taking into account art. 38 4548/2018, arising from the share is mandatory according to the proportion of capital represented by shares

The company ensures equal treatment for all shareholders of the same position. During the meeting all shareholders' request for speech is accepted, and the points of view as well as the questions submitted and responses received are all recorded.

The company publishes on its website under the responsibility of the Board of Directors, the voting results within five (5) days from the date of the meeting, identifying for each decision at least the number of shares for which votes were valid, the proportion of share capital represented by these votes, the total number of valid votes as well as the number of votes for and against each resolution and the number of abstentions.

Minority interests are contained in L 4548/2018

III. <u>Internal Control System – Risk Management Controls.</u>

In compliance with the law, a full time employee is responsible for the internal Audit Department. This person is independent, not subordinate to any other unit of the company, and assists the Board of directors in the exercise of its duties in order to safeguard the interests of the company and its shareholders.

The Internal Audit Department is supervised by the Audit Committee

The company is obliged to inform the HCMC of any change in the persons or the organization of the internal audit within ten (10) working days from this change.

The members of the company's board of directors must cooperate and provide information to the internal auditor and generally facilitate his work in any way. The management of the company must provide the internal auditor with all the necessary means to facilitate his work.

The Board of Directors is reviewing the effectiveness of the internal control system in the context of the corporate strategy for managing the most important risks facing the company, especially in financial matters. This review covers essential audits, including financial and operational audits, compliance audits, and audits of risk management systems. The Board of Directors through the Audit Committee also develops direct and regular contact with the auditors of the company's financial statements in order to receive regular information regarding the proper functioning of the internal audit system.

a. <u>Internal Audit Department.</u>

The department is staffed by a person of full and exclusive employment who is independent, does not belong hierarchically to any other service unit of the company and cooperates with the board of directors of the company assisting him in performing his duties in order to safeguard the interests of the company and .

Members of the Board of Directors, directors or persons who have responsibilities other than internal control or relatives of the above up to the second degree by blood or by marriage may not be appointed as internal auditors.

In particular, the company's internal auditor has the following responsibilities:

- Monitoring the execution and continuous observance of the internal regulation, the articles of association and the general legislation concerning the company and in particular the stock market and the Corporate Law.

- Report to the Board of Directors of the company of the cases of conflict of private interests of the members of the board of directors or the executives of the company with the interests of the company, which it finds during the exercise of its duties.

- Update in writing at least once a quarter to the board of directors regarding the audit carried out by him.

- Presence at general meetings of shareholders.

- Provision, after approval by the company's board of directors, of any information requested in writing by the competent supervisory authorities, cooperation with them and facilitation in every possible way of the monitoring, control and supervision project they exercise.

b. <u>The subject of the internal control department.</u>

The internal auditor reports to the company's audit committee and informs it in writing on a regular basis and not less than once a quarter on the results of its work.

The person in charge of internal control is responsible for the development of the work and activity program of his service and supports their implementation.

It ensures the continuous training of the members of the internal control department, in order to maintain the necessary level of knowledge and training and maintains the confidentiality of the information that comes to its perception.

The Internal Audit Service examines and evaluates the adequacy and effectiveness of the structure of internal audit systems, as well as the quality of the performance of other mechanisms and systems regarding the achievement of the company's defined objectives.

The internal auditor exercises his duties in accordance with the corporate governance code, which means that he is governed by the principles of independence, objectivity and confidentiality. In addition, he works in accordance with the company's policies and procedures.

The main goal of the internal audit service is to provide confirmation to shareholders, in terms of achieving the company's business objectives and ensuring against the risks arising from the company's activities.

The Internal Audit Service has access to all books and records, employees, premises and activities of the company, which are necessary for the implementation of its audit work. It is also responsible for the full protection of confidentiality and secrecy in general.

Any information or document requested by the Internal Audit Service must be made available immediately.

The Internal Audit Service does not carry out routine work on behalf of other departments, as this would jeopardize its objectivity, nor does it have any direct authority or authority over the procedures it controls.

In particular, the responsibilities of internal control include:

• Overview and control of the company's internal control system.

• Confirmation of the implementation of the policies and procedures, which have been introduced in order to achieve the company's operational objectives.

• Conduct regular and extraordinary inventories.

• Control of the accounting and general computer systems of the company.

• Overview of the means of safeguarding the company's assets, verification of their physical existence and agreement with the books.

• Carrying out extraordinary audits in consultation with the company's management.

• Early recognition and evaluation of potential business risks.

• Recommendation for the formation and development of new processes as well as improvement of existing ones.

• Control of the company's relations and transactions with the companies associated with it, as well as the company's relations with the companies in whose share capital participate, at least ten percent (10%), members of the Board of Directors of the company or its shareholders with at least ten percent (10%).

• Control of compliance as well as renewal of the company's operating regulations, as defined by the company's board of directors in order to shield it against risks.

• Informing the board of directors in case of illegal behavior or suspicious transaction of any liable person.

The steps followed during the operation of the internal control are the following:

1. Drawing up a control plan.

2. Control design and preparation.

3. Carrying out the audit.

4. Processing and notification of results.

5. Evaluation of operational risks.

6. Keeping a control file.

7. Monitoring the implementation of the recommendations.

The Internal Audit Service is not relieved of its responsibilities in activities of the company that is subject to audit by third parties, but must weigh whether it can be based on the work of third parties and adapt the planning of the audit to their work.

In case of finding by company bodies or by third parties (tax auditors, certified auditors, etc.) any managerial or operational anomaly, the competent employees of the company (from head of department or service and above) should immediately inform the internal audit service.

Managers as well as executives of the company's corporate structure have the opportunity to request through the internal audit service, to carry out any relevant audit.

IV. Audit Committee.

The audit committee consists of at least three (3) members and is either an independent committee, ie a separate committee from anybody of the company, or a committee of the board of directors, ie a committee consisting exclusively of members of the board of directors. The audit committee consists of non-executive members of the board of directors and members elected by the general meeting of the company's shareholders. Therefore, as members of the audit committee elected by the general meeting of shareholders may be the independent members of the Board of Directors and / or persons who are not members of the Board of Directors, who meet the independence requirements of Law 3016/2002.

The members of the audit committee as a whole must have sufficiently proven knowledge in the field in which the company operates and at least one member must have sufficiently proven knowledge in accounting and auditing (international standards) in order for the audit committee to be able to implement its responsibilities and the obligations set out in paragraph 3 of article 44 of Law 4449/2017. The evaluation of the candidate members of the audit committee is carried out by the board of directors.

The term of office of the members of the audit committee shall be the same as that of the board of directors.

The audit committee appoints one of its members as chairman, and the secretary of the board of directors shall act as secretary, respectively. The Secretary shall monitor the minutes of the meetings of the Committee, making sure that all the views expressed by its members are recorded.

The purpose of the audit committee is to monitor the financial statements of the company and the process of financial information, external audit system, the effectiveness of internal audit and risk management processes, as well as the internal audit unit, the implementation of the selection process. chartered accountants or audit firms appointed to audit the financial statements of the company (regular and alternate auditors) of 4548/2018), reviewing and monitoring the independence of certified public accountants or audit firms

The audit committee has an operating regulation in accordance with the provisions of Law 4449/2017.

Subject to the liability of the members of the management or executives or other members elected by the general meeting of the company's shareholders, the audit committee has, among other things, the following responsibilities, as analyzed in its operating regulations: a) external audit, b) monitoring on the process of financial information, c) internal control, d) monitoring on the control of financial statements, and e) monitoring to the certified auditors - accountants of the company.

Particularly in relation to the competence of internal control, the audit committee: Monitors the effectiveness of internal control systems, quality assurance and risk management of the company, and, as the case may be, the internal audit department, regarding the company's financial information. without violating its independence. In this context, it monitors, examines and evaluates the adequacy and effectiveness of all the company's policies, procedures and safety valves, on the one hand with the internal control system and on the other hand with the risk assessment and management, in relation to financial information.

Regarding the operation of the internal audit, the audit committee monitors and inspects the proper functioning of the internal audit unit in accordance with professional standards as well as the current legal and regulatory framework and evaluates its work, adequacy and effectiveness, but without affecting its independence. The audit committee also reviews the published information on internal audit and the company's main risks and uncertainties in relation to financial information.

In this context, the Audit Committee shall inform the Board of Directors of its findings and submit proposals for improvement, if deemed appropriate.

3. Shareholders' General Meeting.

I. General Meeting description of functions.

The general meeting is the highest body of the company and is entitled to decide on any corporate case of the company in accordance with Law 4548/2018. Its decisions also bind absent or disputing shareholders. The general meeting is the only one competent to decide on the issues mentioned in article 117 of law 4548/2018, including the amendment of the company's articles of association.

The general meeting of shareholders is mandatory at the company's headquarters or in the district of another municipality within the prefecture of the seat or other neighboring municipality or in the district of the municipality where its headquarters are located at least once for each corporate year no later than the tenth (10th)) calendar day of the ninth month after the end of the fiscal year.

The invitation to convene the general meeting is also published on the company's website and is published in a way that ensures quick and non-discriminatory access to it, by means of which, in the opinion of the board of directors, are reasonably reliable for effectively disseminating information to the investor. public, especially in print and electronic media with national and pan-European scope. The company may not charge shareholders a special charge for disclosing the invitation to convene the general meeting in any of the above ways.

The invitation to the general meeting shall include at least the building with the exact address, date and time of the meeting, the issues of the agenda clearly, the shareholders entitled to participate, as well as precise instructions on how the shareholders will be able to to attend the meeting and exercise their rights in person or by proxy or, possibly, remotely, as well as information at least on:

a) the rights of the shareholders of paragraphs 2, 3, 6 and 7 of Article 141 of Law 4548/2018, with reference to the deadline within which any right may be exercised, or alternatively, the deadline by which the rights may be exercised. Detailed information on these rights and the conditions of their exercise should be made available by explicit reference to the invitation to the Company's website,

b) the procedure for exercising the right to vote through a representative and in particular the forms to be used for this purpose, as well as the means and methods provided in the articles of association, according to paragraph 5 of article 128 of law 4548/2018, for the company to receive electronic notifications of appointment and revocation of representatives, and

c) the procedures for the exercise of the right to vote by correspondence or by electronic means, provided that there is a case in accordance with the provisions of articles 125 and 126 of Law 4548/2018,

Also the invitation: determines the date of registration, as provided in paragraph 6 of article 124 of Law 4548/2018, noting that only persons who are shareholders on that date have the right to participate and vote in the general meeting, notifies the place to which is available the full text of the documents and draft decisions, provided for in paragraph 4 of Article 123 of Law 4548/2018, as well as the manner in which they may be taken, and states the address of the company's website let, where the information of paragraphs 3 and 4 of article 123 of law 4548/2018 are available.

If for technical reasons this information is not available, the company provides information through the website on how to supply the relevant forms in hardcopy form and send mail without charge to each interested shareholder.

In order to strengthen the transparency in the information of the shareholders, a summary of the challenge of the general assembly is also published in the Communication System "HERMES" because it is reasonably reliable and at a European scale.

II. Shareholders rights before the Call for the General Meeting:

Ten (10) days before the regular general meeting, the company shall make available to its shareholders its annual financial statements, as well as the relevant reports of the board of directors and the auditors. The company fulfills its obligation by uploading the relevant data on its website.

From the day of publication of the call for the General Meeting until the day of the meeting, at least the following information should be uploaded to the website:

a) The call for the General Meeting

b) The total number of shares and voting rights at the date of the call, including separate totals for each class of shares if the company's capital is divided into several classes of shares

(c) The forms to be used for voting by a representative or representative and, where applicable, for voting by mail and by electronic means, unless such forms are sent directly to each shareholder.

(d) Documents to be submitted to the General Assembly, draft decision on any matter on the proposed agenda or, if no decision has been proposed for approval, comment by the Board of Directors, and draft decisions proposed by the shareholders, according to paragraph 3 of article 141 of law 4548/2018, immediately after their receipt by the company.

III. General Meeting participation rights:
The general meeting (initial meeting and repeat meeting) may be attended by the person who has the share ownership at the beginning of the fifth day before the day of the initial meeting of the general meeting (registration date). The above record date shall also apply in the event of a postponed or repeated meeting, provided that the postponed or repeated meeting is not more than thirty (30) days from the date of registration. If this does not happen or if a new invitation is issued for the case of the repeated general meeting, according to the provisions of article 130 of law 4548/2018, the person who has the share ownership at the beginning of the third day before on the day of the adjourned or recurring general meeting is allowed to participate. The proof of shareholding can be done by any legal means and in any case based on information received by the company from the central securities depository, provided it provides registry services or through the participating and registered intermediaries in the central securities depository in any other case.

The shareholder participates in the general meeting and votes in person or through a representative. Each shareholder may appoint up to three (3) representatives. However, if the shareholder owns shares of the company, which appear in more than one value account, this restriction does not prevent the shareholder from appointing different representatives for the shares that appear in each value account in relation to a certain general meeting. The power of attorney is freely revocable. A representative acting for more shareholders may vote differently for each shareholder.

The shareholder may appoint a representative for one or more general meetings and for a fixed term. The representative shall vote, in accordance with the shareholder's instructions, if they exist and file the voting instructions for at least one (1) year, from the date of the general meeting or, in the event of its postponement, the last repeated meeting in which he used the power of attorney. Any non-compliance of the representative with the instructions he has received does not affect the validity of the decisions of the general meeting, even if the vote of the representative was decisive in achieving the majority.

The shareholder representative is obliged to notify the company, before the start of the general meeting, of any specific event which may be useful to the shareholders in assessing the risk of the representative serving other interests than the shareholder's interests.

For the purposes of this paragraph a conflict of interests may be appear, in particular where the agent:

a) is a shareholder who has controlling rights on the company or other legal person or entity controlled by a shareholder who has control of the company,
b) is a member of the board or the management of the company or controlled by a shareholder that has control of the company or other legal person or entity controlled by a shareholder who has control of the company
c) is officer or public auditor of the company or controlled by a shareholder that has control of the company or other legal person or entity controlled by a shareholder who has control of the company,
d) is husband/wife or first degree relative to one of the persons abovementioned in paragraphs a) to c)

The appointment and dismissal of the shareholder representative takes place in writing and communicated in the same form to the company at least 3 (three) days before the designated date of the meeting.

The Board of Directors is obliged to register in the list of persons who have the right to vote during the general meeting all the shareholders who complied with the provisions of Law 4548/2018. If it does not comply with the above regulations, the said shareholder shall participate in the general meeting only after its permission.

IV. Quorum.

The General Assembly is in quorum and convenes validly on the issues on the agenda, when are present shareholders or agents representing one fifth (1 / 5) at least the paid up share capital.

If such a quorum fails to achieve, the General Assembly shall meet again within twenty (20) days from the date of the cancelled meeting, while the call should take place at least ten (10) days before. This new meeting will form a quorum and will validly deliberate on the issues of the original agenda regardless of the percentage of issued share capital will be represented in it. A newer invitation is not required if the place and time of the repeat meeting have already been set in the initial invitation, provided that there are at least five (5) days between the canceled meeting and the repeat meeting.

Exceptionally, in the case of decisions concerning the change of the nationality of the company, the change of the object of this business, the increase of the obligations of the shareholders, the regular increase of the capital, unless it is imposed by law or is done by capitalization of reserves, reduction of the capital, unless it is done, according to paragraph 5 of article 21 of law 4548/2018 or paragraph 6 of article 49 of law 4548/2018, the change of the way of disposing of the profits, the merger, division, conversion , revival, extension of duration or dissolution of the company, the provision or renewal of power to the board of directors for capital increase, in accordance with paragraph 1 of article 24 of law 4548/2018, as well as in any other case specified in the law that the general meeting decides with increased quorum and majority, the assembly is in quorum and meets validly on the issues of the original agenda, when it is attended or represented by shareholders representing half (1/2) of the paid-up capital.

In the case of the preceding paragraph, unless the quorum of the last subparagraph is reached, the General Meeting shall be convened and meet again in accordance with paragraph 2 of this section, and shall be quorate when one-fifth of the shareholders are present or represented (1/5) at least of the paid-up capital. A newer invitation is not required if the place and time of the repeat meeting have already been set in the initial invitation, provided that there are at least five (5) days between the canceled meeting and the repeat meeting.

V. General Meeting hearing procedure:

The general meeting is convened by the board of directors, which determines the agenda with a decision taken at its meeting, in application of the provisions of law 4548/2018 and the company's articles of association.

Until the election of its president, by a simple majority, the general assembly is chaired by the chairman of the board or his deputy. The chairman of the assembly may be assisted by a secretary and a vote collector, who shall be elected in the same manner. The President checks the regularity of the general assembly, the identity and legitimacy of those present, the accuracy of the minutes, directs the discussion, puts the issues to a vote and announces the outcome of the latter. The non-election or illegal election of the President, as well as the non-observance of the above formalities, do not affect the validity of the decisions of the General Assembly, unless there are other shortcomings.

In addition to the Chairman of the Board of Directors, the General Assembly shall be chaired by the CEO, the Chief Financial Officer, the company's corporate structure or legal advisors, as the case may be, the Auditor, the Chairman and / or the members of the Audit Committee and the certified auditors of the company's financial statements and, if necessary, provide information and briefing on matters of their competence that are put up for discussion and answer shareholders' questions on these matters.

The chairman of the general meeting may, at his own risk, allow the presence of other persons in the assembly, who do not have a shareholder capacity or are not representatives of shareholders, to the extent that this is not contrary to the corporate interest. These persons shall not be deemed to have attended the meeting solely on the ground that they have taken the floor on behalf of the shareholder present or at the invitation of the chairman.
The chairman of the general meeting shall have the time required by the shareholders to submit questions if they so wish.
Decisions of the General Meeting are limited to the items on the agenda, unless shareholders representing the entire share capital are present in person or represented and no shareholder denies the discussion and decision on other matters.

VI. General Meeting's minutes:

Discussions and decisions taken at the general meeting are summarized in a special minute's book. The same book also lists the shareholders who attended or were represented at the general meeting. At the request of a shareholder, the chairman of the general meeting is obliged to include in the minutes a summary of his opinion. The chairman of the general meeting has the right to refuse to record the opinion, if it refers to issues apparently outside the agenda or its content is clearly contrary to good morals or the law.

VII. Equal treatment principle.

With the exception of shares issued, in accordance with paragraph 4 of Article 38 of Law 4548/2018, each share provides the right to vote. All the rights of the shareholders deriving from the share without prejudice to the provisions of article 38 of law 4548/2018, are obligatory depending on the percentage of the capital represented by the share. In the case of multiple stock categories, the principle of equality applies to all shares in the same category.

The company ensures equal treatment of all shareholders in the same position.

VIII. Publication of the General Meeting's voting results.

The company publishes on its website under the responsibility of the Board of Directors, the voting results within five (5) days from the date of the meeting, identifying for each decision at least the number of shares for which votes were valid, the proportion of share capital represented by these votes, the total number of valid votes as well as the number of votes for and against each resolution and the number of abstentions.

4. Description of the main features of the company's internal control and risk management systems, in relation to the process of drafting the financial statements

I. Internal Control System.

The internal control system is organizationally structured in the Internal Audit Division, the Audit Committee and the Board of Directors, with distinct functions.

The supervisory body members have a collective duty to ensure that: (a) the annual financial statements, the management report and the corporate governance statement; and (b) the consolidated financial statements, the consolidated management reports and, the consolidated corporate governance statement has been prepared and published in accordance with the requirements of Law 4308/2014 (A '251) and Law 4336/2015 (A' 94) and Law 4403/2016 and, as the case may be, with the international accounting standards in accordance with Regulation (EC) no. 1606/2002 and L 4548/2018.

The main characteristics of the Internal Control System, with regard to risk management, are: **a)** identification and assessment of risks associated with the reliability of financial statements, **b)** management planning and monitoring of financial ratios **c)** preventing and uncover fraud, **d)** roles and responsibilities of directors, **e)** year ending procedures' manual, including consolidation and **f)** assurance of computer systems for the information provided.

Their completeness and adequacy are continuously evaluated. There are established and applied processes performed by the Accounts and Finance Department, relating to the collection, agreement and monitoring of financial aggregates for the preparation of financial statements. The company's accounting system provides timely and accurate recording of each transaction. The processing and preservation of accounting data takes place in a way that ensures the production and publication of reliable financial statements in accordance with the provisions of applicable law. Also, ensures the safe keeping of records which will enable effective controls at a later time. Finally, the Board, the management, relevant officers and directors of the company obtain promptly all information required to effectively exercise their duties.

The Company in establishing its procedures takes seriously into account the possibility of identifying fraud and for this reason the safeguards and controls operate across a wide range of operations.

The Company has adopted procedures, operational, computerized or not and internal controls relating to the preparation of financial statements (quarterly and annual financial statements). These procedures also relate to the safeguards and controls that have been developed for risk-assessment.

The responsibilities and roles of managers are clearly demarcated by the administration. A clear picture can be obtained from the company's organization chart from with the resulting responsibilities, rights and duties.

The manual for year ending procedures and consolidation is recorded and in full compliance with current legislative framework.

The company uses information systems that meet the working environment, are updated according to the information need and legislative changes as well, ensuring the security of information from external accesses. There is a specialized IT services, the Department of Information Technology, functionally and administratively independent from end users, in which there is a clear separation of duties. The quantitative and qualitative adequacy of IT services is obtained through the application of specific procedures giving access to authorized persons only. The physical plant where information is managed, accessed and stored is safeguarded with respective procedures.

II. Internal Audit Department.

The Internal Audit Division is included in the Company's organizational chart where its responsibilities are defined in the Internal Regulations and the board of Directors decisions.

The Internal Audit Department monitors the implementation and continued compliance with the Rules and Operations of the Company, reports to the board any conflicts of private interests of Board members or directors with the interests of the company and examines and evaluates the adequacy and effectiveness of the structure of internal control systems and the quality performance of other systems with regard to the achievement of the company's goals through regular inspections. The Internal Audit Division is designated by the Board of Directors, is composed of independent individuals, which are not subordinated to any other unit of the company. Informs, in written and documented form at least once every quarter the Board on the review conducted. Finally, provides, upon approval by the Board any information requested in writing to public authorities and cooperate with them. The work is carried on with respect to the current legislation and the Supervising bodies

III. Audit Committee.

Along with the responsibilities of the members of the administrative or management body or other members elected by the general meeting of the company's shareholders, the Audit Committee has, among others, the following responsibilities, as detailed in its Operating Regulations: (a) the monitoring of the external audit (b) the financial reporting process; (c) internal control; (d) the audit of the financial statements; and (e) the relatios with the company's statutory auditors.

Specifically, in relation to the responsibility of Internal Audit, the Audit Committee monitors the effectiveness of the company's internal control, quality assurance and risk management systems and, where applicable, its internal control departments, as regards the financial information of the company, without violating its independence. In this context, it monitors, examines and evaluates the adequacy and effectiveness of all company policies, processes and safeguards regarding both the internal control system and risk assessment and management in relation to financial reporting. Regarding the internal audit function, the Audit Committee monitors and insures the proper functioning of the internal control unit according to the professional standards as well as the current legal and regulatory framework and evaluates its work, adequacy and effectiveness, without affecting its independence. The Audit Committee also reviews the disclosures about internal control and the Company's main risks and uncertainties in relation to financial reporting. In this context, the Audit Committee informs the Board of Directors of its findings and makes suggestions for improvement, if appropriate.

IV. Board of Directors.

The Board reviews the effectiveness of internal control system within the corporate strategy. This review covers the essential controls, including financial and operational controls, compliance testing and monitoring of risk management systems.

5. Composition and Regulation of the Board of Directors and Other Corporate Bodies.

I. Board of Directors.

a. Board of Directors - Obligations and duties – Mode of operation.

The Board of Directors is competent to decide on any act concerning the management of the company, the management of its property and the overall pursuit of the company's purpose.

The responsibilities of the Board of Directors are defined in the Company's Articles of Association and by the existing legislation. Pursuant to the Company's Articles of Association and by law 4548/2018 after its election by the General Meeting, the Board of Directors is constituted in a body for the election of the President, the Vice-Presidents and the Managing Director. At the same meeting the delegation of responsibilities to its members or to third parties is also decided.

The Board of Directors is required to meet at the registered office of the company whenever the law, the statute or the circumstances require so. Exceptionally, the statute may also define another way in the country or abroad, where the BoD may validly meet. The Board of Directors. validly meets outside its headquarters in another place, either domestically or abroad, if all members are present or represented at the meeting, and none of them opposes the holding of the meeting and the decision-making. The meeting of the Board of Directors may be held by teleconference with respect to certain or all members. In this case, the invitation to the members of the Board of Directors includes the necessary information and technical instructions for their participation in the meeting.

The meeting of the Board of Directors may be requested by two (2) of its members, by applying to its chairman or his deputy, who are obliged to convene the Board of Directors within seven (7) days from the submission of the application. The application must, with an objection of inadmissibility, clearly state the matters that the Board of Directors will be dealing with. If the Board of Directors is not convened by the Chairman or the deputy chairman within the above deadline, the members who have requested the convocation may convene the Board of Directors within five (5) days from the expiry of the above seven-day period, announcing the relevant invitation to the other members of the Board of Directors.

The Board of Directors is convened by the Chairman or his Deputy by invitation sent by fax or e-mail notified to its members at least two (2) working days before the meeting and at least five (5) working days if the meeting is to to be held outside the company's headquarters. The invitation must also clearly state the issues on the agenda, otherwise decisions are allowed only if all members of the board of directors are present or represented and no one is opposed to making decisions.

Each member may validly represent only one other member appointed by the absent member in writing to the board of directors. Each member validly represents only one of the other absent member.

The Board of Directors is in quorum and validly meets when are present or represented, half by more than one of the members, but never the number of present members may be less than three. Any resulting fraction is not taken into account.

The Board of Directors is in quorum and validly meets when are present or represented, half by more than one of the members, but never the number of present members may be less than three. Any resulting fraction is not taken into account. At the meetings of the Board of Directors, a member of the board or the legal counsel of the company, if required, is appointed as a secretary. The Secretary takes care of the minutes of the meetings of the Board of Directors, ensuring that all views expressed by the members are recorded.

Unless otherwise defined by the law, decisions of the Board of Directors are validly made by an absolute majority of the present and represented members. Each member has one vote and when he represents absent member has two (2) votes. In case of a tie, the vote of the Chairman of the Board of Directors prevails.

The minutes of the board of directors are signed by the members present. Copies of the minutes shall be formally issued by the chairman or vice-chairman or the managing director (if he does not have the position of chairman) or a member of the board appointed by a decision of the board of directors, without requiring further ratification.

The drawing up and signing of minutes by all the members of the Board of Directors or their representatives is equivalent to a decision of the Board of Directors, even if there is no previous meeting held. This regulation also applies if all consultants or their representatives agree to record their majority decision in practice, without a meeting. The relevant minutes are signed by all consultants. The signatures of their consultants or representatives can be replaced by email or other electronic media. The minutes drawn up are recorded in the minute’s book, in accordance with article 93 of Law 4548/2018.

β. <u>Members of the Board of Directors.</u>

The board of directors of the company is nine members and consists of five (5) executive members, two (2) non-executive members and two (2) independent non-executive members.

The number of non-executive members must not be less than 1/3 of the total number of its members.

At least two (2) independent members must be included among the non-executive members.

The members of the board of directors, who may be shareholders of the company or third parties (non-shareholders) are elected by the general meeting of shareholders of the company for a six-year term, which is exceptionally extended until the expiration of the term within which they must the next regular general meeting shall convene until the relevant decision has been taken.

For the election in the board of directors of the company, the experience in the management of the corporate affairs of the candidates, the level of their professional training, the previous service and previous experience, especially in managerial positions, the knowledge of market rules and conditions, the familiarity with technologies in IT and communications are taken into account

In the event of resignation, death or in any other way losing the capacity of the Board of Directors, the Board of Directors may elect its members to replace the remaining members. This election by the Board of Directors is made by a decision of the remaining members, if there are at least three (3), and is valid for the remainder of the term of office of the replaced member. The decision of the election is made public and announced by the board of directors at the forthcoming general meeting, which may replace the elected members, even if no relevant issue is on the agenda.

In the event of resignation, death or in any other way losing the status of a member or members of the Board of Directors, the other members may continue to manage and represent the Company without the replacement of the missing members, in accordance with paragraph 1 of Article 82 Law 4548/2018, provided that the number of these exceeds half of the members, as they had before the occurrence of the above events. In any case, these members may not be less than three (3).

Members must attend and attend the board meetings continuously. The continuous absence of a consultant for one (1) year from the meetings without a justified reason or without the permission of the board of directors, is equivalent to his resignation from the board of directors, which is valid only from the moment the board decides on this and the its relevant decision in the minutes.

b1. Executive members of the Board of Directors.
The Executive Directors of the Company exercise their powers according to the association and the applicable legislation and in particular to the provisions of Law 4548/2018 and provide services to the company, exercising management functions and representation.

Powers are granted to the executive directors by decision of the Board.

Specifically, with the Board's decision for delegation the executive members have management responsibilities, representing the company, among others, to the public administration, public entities or private sector entities, banks, representing the company to the courts and Independent Authorities and have authorized signature rights up to the financial limit set by the Board in its decision. Beyond this limit, the Board shall decide at a special.

By decision of the Board the executive members may authorize third - non-members - persons to carry out specific -isolated acts.

The Board of Directors may decide to delegate to third - non-members - persons exercising the powers of the executive members, especially to executives of the company.

(1). Chairman of the Board of Directors.

The Chairman of the Board works with the CEO and other members of the Board for the development and achievement of the company's goals in accordance with the provisions of the association and applicable law. In this context, the Chairman of the Board of Directors:

1. Convenes the meetings of the Board members and determine the issues on the agenda.
2. Presides at the meetings of the Board.
3. Works closely with the CEO to ensure the implementation of decisions of the Board.
4. Convenes special meetings of the Board if required.
5. When a committee where necessary, sets chairmen of committees, in cooperation with the Chief Executive proposes the committee members.
6. Collaborates with the CEO on the preparation of the agenda of meetings of the Board.
7. Collaborates with the CEO to provide guidance and direction of the new Board members.
8. Represents the company before any authority in accordance with the Board of Directors decision of the delegation.

The Chairman of the Board reports to the Board of Directors.

(2). Chief Executive Officer.
The CEO is an executive board member and cooperates with the Chairman and the Board members for the development and implementation of company goals. In this context, the CEO:
1. Participates in determining the strategy of the company, along with the Chairman and other executive members of the Board.

2. Participates in setting goals and how to implement them.
3. He is responsible, along with the Chairman and other board members, for determining the remuneration policy of the company.
4. Promotes the image and vision of the company.
5. Participates in the approval process of investments.
6. Promotes and form collaboration agreements with foreign firms (representation, marketing, supply products, etc.).
7. Works with banks and decide on matters of finance and lending.
8. Co-decides in recruitment.
9. Co-decides and approve the general operating expenses of the company.
10. Co-decides in the formulation of pricing and discount policy.
11. Take decisions and set priorities particularly on investment, financing, pricing and products.
12. Directs the activities of the staff, particularly in the marketing department.
13. Participates in regular meetings with: The Chairman, the Board, banks, subsidiaries,

The CEO reports to the company's board of directors.

(3). Vice President of the Board of Directors.

According to the association, the Board decides and elects one or more Vice Presidents.

The company has one non executive Vice President who participates in all meetings and is responsible for the promotion of corporate issues in accordance with the provisions of Law 3016/2002 and the Association.

b2. Independent non-executive members of the Board of Directors.

The independent non-executive directors during their term of office should not hold shares of more than 0.5% of the share capital of the company and not being dependent to the company or to persons connected with the company according the meaning of article 4 § 1 of Law 3016/2002.

Dependency relationship exists when the independent non-executive board member:

A) Maintain business or other business relationship with the company or affiliated companies by to the meaning of article 42e paragraph 5 of Law 2190/1920 (now abolished by L 4548/2018), which, by its nature, is substantially affecting the company's business with particular regard to major supplier of goods or services or a major customer of the company.

B) He is Chairman of the Board, CEO or executive of the company or of an affiliated company by the meaning of article 42 paragraph 5 of Law 2190/1920 (now abolished by L 4548/2018), whenever applicable, or is related through employment or paid office with the company or its affiliates.

C) Has a second degree affinity or is husband/wife of an executive board member or manager or shareholder that possesses the majority of the shares of the company or of its affiliates, by the meaning of article 42e paragraph 5 of Law 2190/1920 (now abolished by L 4548/2018), whenever applicable.

D) is appointed pursuant to Article 18 paragraph 3 of Law 2190/1920 (now abolished by L 4548/2018) and art 79, para 1 and para 2, L 4548/2018

Independent members can submit, separately or together, various reports different from those of the Board, to the ordinary or extraordinary general meeting of the company, if they deem it necessary.

Company within twenty (20) days of the formation of the Board of Directors as a body submits to the Securities and Exchange Commission the minutes of the General Meeting where the independent members are elected, in order to verify the compliance with the provisions of Law 3016/2002. Similarly, are presented the minutes of the Board, where is determined the status of each member of the Board as an executive, non-executive, and temporary independent member to replace another member who resigned or been removed and for some reason was deposed.

γ. Remuneration policy:

The board of directors of the company decides, according to law 3016/2002, on the issues concerning all types of company fees and the general remuneration policy of the company.

Especially the salary policy for the members of its board of directors is drafted in accordance with the provisions of law 4548/2018, it is decided by the board of directors in a special meeting and it is submitted to the approval of the general assembly. Remuneration policy remains available on the company's website free of charge, at least for as long as it is valid.

According to the company's articles of association, members of the board of directors are entitled to receive remuneration or other benefits, in accordance with the law and the provisions of the company's articles of association and, where applicable, the company's salary policy. Any other compensation or remuneration of the members of the board of directors shall be borne by the company only if it has been authorized and approved by a special decision of the general meeting of shareholders.

The fees and any other compensations of the non-executive members of the board of directors are determined in accordance with law 4548/2018.

The process of determining fees is characterized by objectivity, transparency and professionalism and is free from conflicts of interest.

d. <u>Obligations of members of the Board of Directors for the protection of corporate interest.</u>

Each board member is required to strictly comply with the confidentiality requirements in relation to information accessed during of the company which became known to it in its capacity as a consultant.

The board members and any third party entrusted with this responsibility are forbidden to pursue their own interests contrary to the interests of the company.

The board members and any third person entrusted with responsibilities must promptly disclose to the other board members of the same interests that might arise in transactions of the Company which fall to their duties and any other conflict own interests with those of the company or affiliates for the purposes of Law 4548/2018, which arise in the course of their duties.

Members being involved in any way in the company’s management as well as executive directors are prohibited to act, without permission of the General Assembly, for own interests or on behalf of others for matters that fall into the corporate aims or to participate as personally liable partners in companies that pursue such aims.

The members of the Board of Directors have a collective duty to ensure that: (a) the annual financial statements, the management report and the corporate governance statement; and (b) the consolidated financial statements, the consolidated management reports and, the consolidated corporate governance statement has been prepared and published in accordance with the requirements of Law 4308/2014 (A '251) and Law 4336/2015 (A' 94) and Law 4403/2016 and, as the case may be, with the international accounting standards in accordance with Regulation (EC) no. 1606/2002.

II. <u>Internal Auditor</u>.

The internal auditor staffs the company's internal audit department and is a person of full and exclusive employment and independent, ie it does not belong hierarchically to any other service unit of the company. It cooperates with the company's board of directors, assisting it in the exercise of its duties in order to safeguard the interests of the company and its shareholders.

In carrying out his duties, the internal auditor is entitled to know any book, document, file, bank account and portfolio of the company and to have access to any service of the company.

The internal auditor of the company has the following responsibilities: Monitoring the implementation and continuous observance of the internal operating regulations, the articles of association and the general legislation concerning the company and especially the stock exchange and anonymous legislation companies, reference to the board of directors of the company the private interests of the members of the board of directors or the executives of the company with the interests of the company, which it finds during the exercise. its duties, notification in writing to the Board of Directors at least once a quarter regarding the audit carried out by it, attendance at the general meetings of the company's shareholders, provision, after approval by the company's board of directors, any information requested in writing by competent supervisory authorities, cooperating with them and facilitating in every possible way the monitoring, control and supervision work they carry out.

The internal auditor reports to the company's audit committee and informs in writing on a regular basis and not less than once a quarter on the results of its work. He is responsible for the development of the work and activity program of his service and supports their implementation. It also takes care of the continuous training of the members of the internal control department, in order to maintain the necessary level of knowledge and training and maintains the confidentiality of the information that comes to its perception.

The Internal Audit Service examines and evaluates the adequacy and effectiveness of the structure of internal audit systems, as well as the quality of the performance of other mechanisms and systems regarding the achievement of the company's defined objectives.

The internal auditor performs his duties in accordance with the code of ethics, which means that he is governed by the principles of independence, objectivity and confidentiality. In addition, he works in accordance with the company's policies and procedures.

The main goal of the internal audit service is to provide confirmation to shareholders, in terms of achieving the company's business objectives and ensuring against the risks arising from the company's activities.

The Internal Audit department has access to all books and records, employees, premises and activities of the company, which are necessary for the implementation of its audit work. It is also responsible for the full protection of confidentiality and secrecy in general.

Any information or document requested by the Internal Audit Service must be made available immediately.

The Internal Audit Service does not carry out routine work on behalf of other departments, as this would jeopardize its objectivity, nor does it have any direct authority or authority over the procedures it controls.

In particular, the responsibilities of internal control include:

• Overview and control of the company's internal control system.

• Confirmation of the implementation of the policies and procedures, which have been introduced in order to achieve the company's operational objectives.

• Conduct regular and extraordinary inventories.

• Control of the accounting and general computer systems of the company.

• Overview of the means of safeguarding the company's assets, verification of their physical existence and agreement with the books.

• Carrying out extraordinary audits in consultation with the company's management.

• Early recognition and evaluation of potential business risks.

• Recommendation for the formation and development of new processes as well as improvement of existing ones.

• Control of the company's relations and transactions with the companies associated with it, as well as the company's relations with the companies in whose share capital participate, at least ten percent (10%), members of the Board of Directors of the company or its shareholders with at least ten percent (10%).

• Control of compliance as well as renewal of the company's operating regulations, as defined by the company's board of directors in order to shield it against risks.

• Informing the board of directors in case of illegal behavior or suspicious transaction of any liable person.

The steps followed during the operation of the internal control are the following: Drawing up a control plan, control design and preparation, carrying out the audit, processing and notification of results, evaluation of operational risks, keeping a control file, monitoring the implementation of the recommendations.

The Internal Audit Service is not relieved of its responsibilities in activities of the company that is subject to audit by third parties, but must weigh whether it can be based on the work of third parties and adapt the planning of the audit to their work.

In case of finding by company bodies or by third parties (tax auditors, certified auditors, etc.) any managerial or operational anomaly, the competent employees of the company (from head of department or service and above) should immediately inform the internal audit service.

Managers as well as executives of the company's corporate structure have the opportunity to request through the internal audit service, to carry out any relevant audit.

III. Audit Committee.

The audit committee consists of at least three (3) members and is either an independent committee, ie a separate committee from anybody of the company, or a committee of the board of directors, ie a committee consisting exclusively of members of the board of directors. The audit committee consists of non-executive members of the board of directors and members elected by the general meeting of the company's shareholders. Therefore, as members of the audit committee elected by the general meeting of shareholders may be the independent members of the Board of Directors and / or persons who are not members of the Board of Directors, who meet the independence requirements of Law 3016/2002.

The members of the audit committee as a whole must have sufficiently proven knowledge in the field in which the company operates and at least one member must have sufficiently proven knowledge in accounting and auditing (international standards) in order for the audit committee to be able to implement its responsibilities and the obligations set out in paragraph 3 of article 44 of Law 4449/2017. The evaluation of the candidate members of the audit committee is carried out by the board of directors.

The term of office of the members of the audit committee shall be the same as that of the board of directors.

The audit committee appoints one of its members as chairman, and the secretary of the board of directors shall act as secretary, respectively. The Secretary shall monitor the minutes of the meetings of the Committee, making sure that all the views expressed by its members are recorded.

The purpose of the audit committee is to monitor the financial statements of the company and the process of financial information, external audit system, the effectiveness of internal audit and risk management processes, as well as the internal audit unit, the implementation of the selection process. chartered accountants or audit firms appointed to audit the financial statements of the company (regular and alternate auditors) of 4548/2018), reviewing and monitoring the independence of certified public accountants or audit firms

The audit committee has an operating regulation in accordance with the provisions of Law 4449/2017.

Subject to the liability of the members of the management or executives or other members elected by the general meeting of the company's shareholders, the audit committee has, among other things, the following responsibilities, as analyzed in its operating regulations: a) external audit, b) monitoring on the process of financial information, c) internal control, d) monitoring on the control of financial statements, and e) monitoring to the certified auditors - accountants of the company.

Particularly in relation to the competence of internal control, the audit committee: Monitors the effectiveness of internal control systems, quality assurance and risk management of the company, and, as the case may be, the internal audit department, regarding the company's financial information. without violating its independence. In this context, it monitors, examines and evaluates the adequacy and effectiveness of all the company's policies, procedures and safety valves, on the one hand with the internal control system and on the other hand with the risk assessment and management, in relation to financial information.

Regarding the operation of the internal audit, the audit committee monitors and inspects the proper functioning of the internal audit unit in accordance with professional standards as well as the current legal and regulatory framework and evaluates its work, adequacy and effectiveness, but without affecting its independence. The audit committee also reviews the published information on internal audit and the company's main risks and uncertainties in relation to financial information.

In this context, the Audit Committee shall inform the Board of Directors of its findings and submit proposals for improvement, if deemed appropriate.

6. The policy regarding the diversity applied to the administrative, management and supervisory bodies of the company (article 152 par. 1 par. F) Law 4548/2018)

Space Hellas is an equal opportunity company and encourages a safe and healthy work environment without discrimination. Diversity in the board and in the administrative, management and supervisory bodies is based on a number of elements, including, among others, the cultural and educational background, professional experience, skills, gender, age, knowledge and time. previous service.

The company is managed by a board of directors whose members have experience, adequate training and know-how in the field of the company's activity at a multifaceted level, ie in technocratic, legal, commercial, economic and in domestic markets and foreign markets. It is characteristic that the members of the board of directors have studies at higher and higher level (postgraduate studies up to doctoral dissertation) either in Greece or abroad and many years of professional experience.

The directors and executives of the company's corporate structure have been employed for over fifteen and / or twenty consecutive years and an important element in their selection is the high knowledge and training in the company's market sector, the ability to manage cases and management, Easy knowledge of foreign languages, desire for a career, ability to adapt to the corporate environment, willingness to offer and collaborate, sensitivity to social structures and the work environment, respect for the environment

Company policy is the choice to be based on meritocracy, and candidates to be considered in relation to objective criteria, always taking into account the benefits of diversity. In this context and depending on the conditions that are formed, the process includes structured interviews from the company's human resources department in collaboration with external consultants, if required. Candidates are evaluated at the first level and then followed by an evaluation at the second level with an additional interview of the final candidates. Finally, depending on the position, a follow-up interview with a representative of the administration follows.

Especially in the case of the selection of supervisory bodies, the conditions of the current legislation are observed.

For the year 2019, the above principles of the company's policy were implemented in the recruitment program followed by the company for its staffing and meeting its needs.

The following table shows the statistical data on the age and gender of the company's board of directors and directors for the year 2019, with the clarification that the executive members of the board and directors of the company are employed by the company for a period of more than from ten years.

Board of Directors	**2019**
Main	89%
Women	11%
<30 yeas	0%
30-55 yeas	44%
56-65 years	33%
> 70 years	22%

Directors	**2019**
Main	75%
Women	25%
<30 yeas	0%
30-55 yeas	75%
56-65 years	25%
> 70 years	0%

7. Information of Article 10 of Directive 2004/25 / EC of the European Parliament:
There are no significant direct or indirect participations (including indirect participations through pyramid structures or mutual participation) within the meaning of Article 85 of Directive 2001/34 / EC.

There are no shareholders of the company with special control rights.

The voting rights, the rules for the appointment and replacement of the members of the Board of Directors as well as with regard to the amendment of the Articles of Association, and the powers of the members of the Board of Directors are provided in accordance with the provisions of Law 4548/2018 and the Articles of Association.

2.8 CERTIFICATIONS – QUALITY POLICY

The long presence in the ICT, software and security sector along with the strategic partnerships of SPACE HELLAS with the major worldwide manufactures, provide the company the ability to design and implement wide scale projects. The company, preserves its leadership in the market by investing continuously in human resource and infrastructures. Within this context, the company has obtained significant awards and accreditations from internationally recognized organizations.

Space Hellas certifications are presented (in alphabetical order):

- BT Alliance Partner

- 3-Star Partner
- Value Added Reseller
- Managed Service Provider

- Cisco Gold Certified Partner
- Cisco Advanced Borderless Network
- Architecture Specialized Partner
- Cisco Advanced Collaboration Architecture Specialized Partner
- Cisco Advanced Data Center Architecture Specialized Partner
- Cisco Advanced Security Specialized Partner
- Cisco Routing & Switching Specialized Partner
- Cisco Advanced Unified Communications Specialized Partner
- Cisco WLAN Specialized Partner
- Cisco System Integrator Advanced Unified Fabric Technology Specialization
- Advanced SP Routing Technology Specialization
- ATP - Cisco Application Centric Infrastructure Partner
- Advanced Core and WAN Specialized
- Advanced Unified Computing Technology Specialization

- CSN Silver Partner

- Platinum Partner

- Gold Partner

- HP Business Partner

- Authorized Partner

- Business Partner

- Gold Partner
- Authorized Warranty Service Provider

- Microsoft Gold Certified Partner
- Microsoft Gold Datacenter Partner
- Microsoft Gold Cloud Platform
- Microsoft Silver Small and Midmarket Cloud Solution

- NetApp Gold Partner

- Novell Silver Partner

- Oracle Gold Partner

- Advanced Partner

- Business Partner
- Symantec Gold Certified Partner
- Vanguard Advanced Certified Partner
- VMware Enterprise Partner
- Confidential – NATO SECRET
- Confidential – EU SECRET

Aiming to customer satisfaction, Space Hellas has a consistent policy towards quality targeting mainly to:

- Assure the delivery of high quality products and services fulfilling the technical requirements and in alignment with the market needs.
- The continuous improvement of our products and services in all their aspects as well as the improvement of all the company's business processes

In effectively achieving these goals, the Company's Quality Management System applied since 1996 (the first space in Greece certified with ISO 9001), has significantly contributed, using effective design and quality monitoring methods, in all product supply stages and service. The company's Quality Management System is certified to ISO 9001: 2015, and reviewed yearly, for all activities of the company's offices in Athens and Thessaloniki and since 2018 in Ioannina.

In addition, SPACE HELLAS has been certified according to ISO 20000-1: 2015, the international standard for the IT Service Management System, developed, maintained and improved since 2019. ISO / IEC 20000 certification ensures that Space Hellas, in all points of its presence in Greece and abroad, observes and implements all the procedures concerning the management and the continuous improvement of the IT and technology services it provides. For this standard, its revitalization review in the new version, ISO 20000-1: 2018, has already been successfully completed, and the issuance of the new certificate is expected soon.

Furthermore, Space Hellas is certified according to ISO 27001: 2013 for its Information Security Management System designed and maintained since 2009 at organization level and for all its activities, the branches in Greece, its subsidiary in Cyprus and sub-subsidiaries of in Malta, Serbia and Romania. The achievement of this important accomplishment constitutes for Space Hellas a distinction compared to its competitors. The Information Security Department of the company, offers a wide range of products and services in the Compliance and Certification service area which comprise the ISO / IEC 27001: 2013, the ADAE, the Business Continuity Management, the PCI DSS Standard, the Instructions of the Bank of Greece etc.

Space Hellas, with the aim of ensuring its business continuity and the possibility of recovery from natural or other disasters, has developed and operates a Business Continuity Management System, according to the ISO 22301: 2019 standard. The Business Continuity Management System includes all the company's facilities, in Greece and abroad. It has been successfully inspected and the issuance of the relevant certificate is expected soon.

In the context of implementing the Group's commitment to an environmentally responsible operation, we have developed and are implementing an Environmental Management System in accordance with the international standard ISO14001: 2015 with which we have been certified since 2015, and we check it annually by independent internationally recognized certification bodies. all the company's activities in the offices of Athens, Thessaloniki and from 2018 for Ioannina.

Space Hellas considers the Health and Safety of workers in the performance of their duties to be a top strategic priority. Therefore, monitors the legislation and ensures adherence in full. Moreover, developed and maintained Management System Safety and Health at Work, which was certified to OHSAS 18001: 2007 in 2016, in Athens and Thessaloniki and since 2018 in Ioannina. In addition, the Company has upgraded this management system to meet the requirements of the new ISO 45001 standard and expects certification for this by April 2020.

Cert No. 7421
ISO 20000-1:2011

Certification Number 035
ISO 27001:2013

2.9 CORPORATE SOCIAL RESPONSIBILITY

The Group operates in a constantly changing global environment and faces daily challenges concerning both the profitability and the existence as an integral part of the social and economic mainstream. Sensitive and in the spirit of Corporate Social Responsibility operates responsibly towards people, society and the environment, undertaking voluntary commitments which go beyond common regulatory and contractual requirements are met either way.

Closely connected with the philosophy of the Group is active care for humans both business and social level. Future-oriented, embraces diversity and supports in every way a sense of fairness. At each step of the way of recognizing the contribution of all employees with continuous and determined commitment, provide a safe work environment where solidarity and respect prevails. The high level of technological infrastructure that offers its partners, contributes to utilize every employee the full potential and talents, while providing the Group's important work. Education, as an integral part of the Group's philosophy, an ongoing priority.

As part of the social environment, the Group recognizes the vital role in society and contributes to the overall perspective of development. Responding sensitively to the needs, through aid charities and voluntary organizations, promotes culture and the value of man. Social responsibility is part of the corporate culture of the Group and help tackle social problems. Our people will contribute to any voluntary action, responding in cases requiring immediate assistance and solidarity.

2.10 HONORARY SCHOLARSHIPS

This year, the company's management established two annual Honorary Scholarships in memory of the visionary and founder Dimitris Manolopoulos to support young people belonging to vulnerable economic and social groups, who do not have the financial means to pursue their studies.

In a difficult time, this program aims to provide young scientists with skills and talents, the opportunity to realize their ambitions in the field of technology to continue their studies at postgraduate level and to evolve through research and innovation.

Scholarships with a total amount of € 6,000 each are awarded to graduates of public higher education institutions in Greece, or respectively higher education institutions abroad, who enroll each academic year in specific postgraduate programs of Greek Universities in Higher Education Institutions (Higher Education Institutions). of information and communication technologies and preferably in areas related to telecommunications, networks, information security (IT Security), cyber security (Cyber Security) and artificial intelligence (AI).

2.11 ENVIRONMENTAL PROTECTION

Always a pioneer and with great sensitivity, the Group combines its development with environmental protection, paying daily efforts to reduce the environmental impact of its activities. Aligning financial sustainability and optimum efficiency of infrastructure, the social and moral responsibilities arising from the need to reduce energy and environmental footprint on the natural environment, the Group applies the principles of Green IT, both in the information systems and in its technological infrastructure as well.

As part of the Group's commitment to an environmentally responsible operation, we have developed and implemented an Environmental Management System in accordance with the ISO14001: 2015 International Standard for which we have been certified by independent internationally accredited certification bodies in Athens and Thessaloniki. The main goal is to reduce energy consumption, reduce the use of plastic, and reduce the consumption of precious natural resources such as water, wood, paper, metals, and liquid or gaseous fuels. It also promotes the use of more environmentally friendly substances for cleaning and disinfecting.

The Group has also adhered to the Approved Collective Alternative Waste Management System for Electrical and Electronic Equipment by recycling any old electrical or electronic equipment, mobile phones, computers, printers, etc., as well as their accessories. The Group participates in the Collective Alternative Packaging Management System, organized by the Hellenic Recycling Utilization Company (EEE), and deals with the alternative packaging waste management to recycle the packaging of the mobile devices. It implements paper recycling programs, PLASTIC WOOD, METAL, portable batteries, ink cartridges and toners. Last but not least, the supply of electronic products is only made by manufacturers certified under the RoHS Directive (Registration of Hazardous Substances) so that their packaging is free from environmentally hazardous substances and heavy metals.

The dynamic business development of the Group is inseparable from the principles of Corporate Social Responsibility and Sustainable Development. Sustainable Development for the Group means pursuing business leadership with dedication to corporate vision, with respect to society, the environment, people and its shareholders. The sustainability policy of the Group is based on the harmonious coexistence of its activities with the needs of the societies in which it operates.

2.12 RESEARCH AND DEVELOPMENT

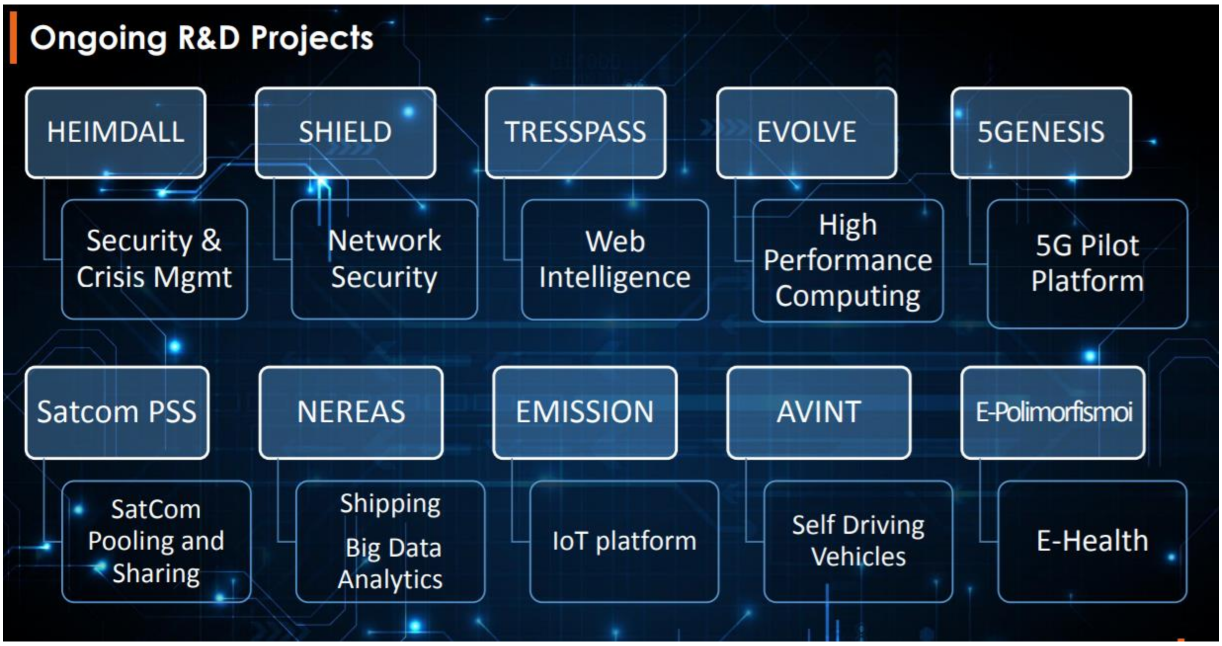
Space Hellas is actively involved in Research & Development (R&D) activities both at European and National level, recognizing the importance of knowledge on the one hand in specialized areas of science and technology and on the other hand the exploitation of technological achievements and new opportunities. to create innovative solutions and meet new requirements.

The Research & Development department aims to strengthen this position, analyzing the current market demands, to anticipate long-term opportunities. With the participation of Space Hellas in pilot and research projects, both national and European and self-financed, the company adopts and develops new technologies, products and services, while at the same time expanding the network of its partners.

At the same time, the Research and Development Department has a number of successful projects, which have been recognized at a pan-European level and are increasingly being proposed for cooperation by European companies and high-profile academic institutions.

But what Space Hellas seeks to prioritize is to incorporate knowledge and know-how into its projects, solutions, and services to ensure it has a strong competitive advantage.

By participating in pilot and research projects both National and European as well as domestic projects, the company adopts and develops new technologies, products and services, while at the same time expanding the network of its partners. The acquired know-how from these projects offers, among other things, the possibility of contributing to the Research and Development department both in Integration projects and in commercial and military projects, thus being an important chapter for Space Hellas.



The Research and Development Directorate is active in the following thematic areas, which are in line with the company's commercial activities:

- Cloud and Big Data technologies and applications
- Cybersecurity and Open Source Intelligence
- Monitoring and Analytics
- Machine Learning and Artificial Intelligence
- Next-generation networks, 5G and satellite
- Internet of Things and Smart Cities
- Surveillance and Security

2.13 IMPORTANT TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES

Each affiliated company follows the rules regarding transparency, independent financial management, accuracy and correctness of its transactions, as required by law. Transactions between the Company and its affiliated companies are made at a price or exchange, which is proportional to whether the transaction was made with any third party, natural or legal person, under the conditions prevailing in the market at transaction time.

The transactions below relate to transactions with related parties as defined in IAS 24, cumulatively from the beginning of the financial year to the end of the period, as well as the balances of the receivables and liabilities of the company and the group at the end of the current fiscal year, have arisen from the specific transactions of the related parties.

The sales to and purchases from related parties, during 2019, are made at normal market prices.

There are no transactions of unusual nature or content with significant impact on the Group or the subsidiaries or related parties. All of the transactions with related parties are free of any special condition or clause.

The tables below summarize the transactions and the account balances with related parties carried out during year 2019 and 2018 respectively.

Amounts in € thousand	Revenue from dividends		Sales		Income from investment property		Total income-Parent company		Total income-Group	
	2019	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
SPACE HELLAS (CYPRUS) LTD	449	926	146	1	-	-	**595**	**927**	**-**	**-**
SPACE HELLAS (MALTA) LTD	-	-	2	2	-	-	**2**	**2**	**-**	**-**
SPACE HELLAS D.o.o. BEORGRAD	-	-	3	3	-	-	**3**	**3**	**-**	**-**
Subsidiaries	**449**	**926**	**151**	**6**	**0**	**0**	**600**	**932**	**0**	**0**
Web-IQ B.V.	-	-	131	46	-	-	**131**	**46**	**131**	**46**
Associates	**0**	**0**	**131**	**46**	**0**	**0**	**131**	**46**	**131**	**46**
MOBICS S.A.	-	-	0	0	-	-	**0**	**0**	**0**	**0**
SPACE CONSULTING S.A.	-	-	-	-	1	1	**1**	**1**	**1**	**1**
Other associates	**0**	**0**	**0**	**0**	**1**	**1**	**1**	**1**	**1**	**1**
	449	**926**	**282**	**52**	**1**	**1**	**732**	**979**	**132**	**47**

Amounts in € thousand	Total expenses Group and Company	
	2019	**2018**
SPACE HELLAS (CYPRUS) LTD	-	-
SPACE HELLAS (MALTA) LTD	-	-
SPACE HELLAS D.o.o. BEORGRAD	-	-
Subsidiaries	**0**	**0**
Web-IQ B.V.	54	40
Associates	**54**	**40**
MOBICS S.A.	11	-
SPACE CONSULTING S.A.	-	-
Other associates	**11**	**0**
	65	**40**

Amounts in € thousand	Total Receivables - Company		Total Receivables Group		Total Liabilities Group and Company	
	2019	2018	2018	2018	2019	2018
SPACE HELLAS (CYPRUS) LTD	146	99	-	-	-	-
SPACE HELLAS (MALTA) LTD	2	2	-	-	-	-
SPACE HELLAS D.o.o. BEORGRAD	3	3	-	-	-	-
Subsidiaries	**151**	**104**	**0**	**0**	**0**	**0**
Web-IQ B.V.	22	309	22	309	40	0
Associates	**22**	**309**	**22**	**309**	**40**	**0**
MOBICS S.A.	-	-	-	-	-	3
SPACE CONSULTING S.A.	0	10	0	10	-	2
Other associates	**0**	**10**	**0**	**10**	**0**	**5**
	173	**423**	**22**	**319**	**40**	**5**

- Both the services from and towards the related parties as well as the sales and purchase of goods are contracted with the same trade terms and conditions as for the non-related parties.
- From the above table the transactions between the Company and related parties have been eliminated from the consolidated financial statements.

Table of Key management compensation:

Amounts in € thousand	Group		Company	
	2019	2018	2019	2018
Salaries and other employee benefits	1.242	1.264	1.242	1.264
Receivables from executives and members of the Board	2	2	2	2
Payables to executives and member of the Board	33	5	33	5

- No loans have been given to members of the Board or other executive members nor to their family members.

Tables of Guarantees to third parties:

Amounts in € thousand	Group		Company	
	2019	2018	2019	2018
Guarantees to third parties on behalf of subsidiaries and joint ventures	33	41	33	41
Used guarantees to third parties on behalf of subsidiaries	0	0	0	0
Bank guarantee letters	33	41	33	41

- The company has granted guarantees to banks in favor of the subsidiary SPACE HELLAS (CYPRUS) LTD., amounting to € 33 thousand.

2.14 SIGNIFICANT POST-BALANCE SHEET EVENTS

In February 2020, SPACE HELLAS completed the upgrade of the Information Technology Management Services System to meet the requirements of the new 2018 version of the ISO 20000-1 Standard. The revised System was successfully inspected - in the presence of NSS inspectors - on 6-3-2020 and the issuance of the ISO 20000-1: 2018 certificate is expected within April 2020.

At the same time, on 6-3-2020, the Business Continuity Management System, which was developed in accordance with the requirements of the international standard ISO 22301: 2019, was successfully inspected - in the presence of the NSS inspectors. The certificate will be sent to SPACE HELLAS within April 2020.

Our company was pleased to announce the scholarships, based on the announced honorary scholarship "Dimitris Manolopoulos" for the academic year 2019-2020. in the presence of the Board of Directors of the company. The awarding of the scholarships took place at the company's headquarters in the "Dimitris Manolopoulos" room, on Friday, February 14, 2020, in the presence of the company's Board of Directors.

In early March, measures to curb the spread of COVID-19 and protect against pandemics began to be imposed in the country. In this climate and in view of the publication of the financial statements, EAKAA / ESMA, on March 12, issued a Recommendation calling on all participants in the financial markets to have emergency plans ready to ensure operational continuity. publish all possible information on the impact of COVID-19 on its fundamentals and prospects, and include relevant notices on financial statements.

Given the spread of the coronavirus, it is difficult to predict the range of possible outcomes for the global economy at this point. The effects can range from successful virus restriction and small short-term effects to a prolonged effect that can lead to a possible recession. In addition, governments are pursuing political and fiscal actions aimed at mitigating the potential negative economic impact.
However, the future impact must be assessed in the light of the accounting continuity used to prepare these Financial Statements. Regarding the activities of the Group, the Management closely monitors the developments since the outbreak of the coronavirus, follows the guidance of the local health authorities and observes the requirements and actions applied by the authorities. The Group has implemented emergency plans to reduce the potential adverse effects on the Group's employees and businesses.

Following the clarifications set out in the above relevant paragraphs on the spread of the coronavirus virus, which is a non-adjusting event, there are no events other than the financial statements that concern either the Group or the company and in which a reference is required by the International Financial Reporting Standards.

2.15 EXPLANATORY REPORT OF THE BOARD OF DIRECTORS TOWARDS THE SHAREHOLDERS' ORDINARY GENERAL MEETING OF "SPACE HELLAS S.A.", PURSUANT TO ARTICLE 4, PARAGRAPHS 7 AND 8, LAW 3556/2007

According to paragraph 8 of article 4 of Law 3556/2007, the board of directors of the company submits the present explanatory report to the regular general meeting of shareholders regarding the information of paragraph 7 of article 4 of law 3556/2007. The explanatory memorandum is included in the report of the board of directors.

(a) Structure of the company's share capital, including shares not listed on the market in an organized market in Greece or in another Member State, stating for each category of shares the rights and obligations associated with that category and its percentage of the total share capital represented by the shares of this category

The company's share capital amounts to six million nine hundred and seventy-three thousand fifty-two Euros and forty cents (€ 6,973,052.40) and is divided into six million four hundred and fifty-six thousand five hundred and thirty (6,456,530) common shares of 1.08 Euros each, listed for trading in the General Category (Main Market) of the Athens Stock Exchange.

(b) Restrictions on the transfer of shares of the company, such as indicative restrictions on the possession of shares or the obligation to obtain prior approval from the issuer, by other shareholders or by the Public or Administrative Authority, without prejudice to paragraph 2 of Article 4 of Law 3371 / 2005 (Government Gazette 178 A').

The Company shares may be transferred as provided by the law and the Articles of Association provide no restrictions as regards the transfer of shares.

(c) Significant direct or indirect participations within the meaning of the provisions of Articles 9 to 11 of Law 3556/2007.

The shareholders (physical or legal persons) who directly or indirectly own more than 5% of the total number of shares of the company on 31.12.2019 are listed in the following table:

Name and Surname	Percentage
Manolopoulos Spyridon	17,230%
Manolopoulos Ioannis	16,153%
Mpellos Panagiotis	16,931%
ALPHA BANK S.A.	19,33%

No other entity possesses a percentage greater than 5% of the total company's voting rights.

(d) Holders of all types of shares that provide special control rights and a description of the relevant rights.

None of the Company shares carry any special rights of control.

(e) Restrictions on the right to vote, such as restrictive voting rights for holders of a certain percentage of the share capital or holders of a certain number of voting rights, and deadlines for exercising voting rights.

The articles of Association make no provision for any limitations on voting rights.

(f) Agreements between shareholders of the company which are known to the company and imply restrictions on the transfer of shares or restrictions on the exercise of voting rights.

The Company is not aware of any agreements among shareholders entailing limitations on the transfer of shares or limitations on voting rights, nor is there any provision in the Articles of Association providing the possibility of such agreements

(g) Rules for the appointment and replacement of members of the Board of Directors, as well as for the amendment of the Articles of Association, if they differ from those provided for in Law 4548/2018.

The rules provided by the company's articles of association, both for the appointment and replacement of members of its board of directors and for its amendments, do not differ from those provided for in Law 4548/2018.

(h) Responsibility of the Board of Directors or certain members of the Board of Directors for the issuance of new shares or the purchase of own shares in accordance with Article 49 of Law 4548/2018.

1. According to Article 6 of the company's articles of association: 1. a) For a period not exceeding five years from the establishment of the company, the board of directors has the right by its decision, taken by a two-thirds majority (2 / 3) at least of all its members to increase the capital by some or all with the issuance of new shares, for an amount that cannot exceed three times the initial capital. b) The above power may be granted to the Board of Directors by a decision of the General Meeting, for a period not exceeding five years. In this case, the capital may be increased by an amount not exceeding three times the amount of capital available to the Board of Directors on the date of the capital increase. (c) This power of the Board of Directors may be renewed by a decision of the General Meeting for a period not exceeding five years for each granted renewal. The validity of each renewal starts from the expiration of the validity period of the previous one. Decisions of the General Assembly on the granting or renewal of the power to increase capital by the Board of Directors shall be made public. 2. For a period not exceeding five years from the establishment of the company, the general meeting may, by its decision, taken by simple quorum and majority, increase the capital, in part or in whole by issuing new shares, up to a total of eight times. of the initial capital. 3. In any case of increase of the share capital, including the one made by contribution in kind or issuance of bonds with the right to convert them into shares, the right to preference in the whole new capital or bond loan shall be granted, in favor of the shareholders at the time of issuance. with their participation in the existing share capital, as defined in article 26 of law 4548/2018. 4. In any case of increase of the share capital for the certification of its payment or not, the provisions of article 20 of law 4548/2018 apply.

2. In accordance with the provisions of Article 49 of Law 4548/2018, without prejudice to the principle of equal treatment of shareholders who are in the same position and the provisions for the abuse of the market, the company may, itself or in person acting on its behalf, to acquire shares that have already been issued, but only with the approval of the General Assembly, which sets out the terms and conditions of the acquisitions provided and, in particular, the maximum number of shares possible. to be acquired, the duration for which is granted the approval, which may not exceed twenty-four (24) months and, in the case of acquisition for a compelling reason, the minimum and maximum limits of the acquisition value. The decision of the general meeting is made public. The acquisitions of the previous paragraph are made with the responsibility of the members of the board of directors, under the following conditions: a) The nominal value of the shares acquired, including the shares previously acquired and maintained by the company, and the shares acquired by a person, which operated in his own name but on behalf of the company, it is not possible to exceed one tenth (1/10) of the paid-up capital. b) The acquisition of shares, including the shares previously acquired and maintained by the company, and the shares acquired by a person acting on his own name but on behalf of the company, may not result in the reduction of equity, in an amount less than that specified in paragraph 1 of Article 159. c) The transaction may relate only to shares that have been fully repaid. The other provisions of article 49 of law 4548/2018 also apply.

It is noted that the regular general meeting of shareholders of the company of 27 June 2018 (continuation of the meeting from 5 June 2018) (issue 7) has decided that the company proceeds to purchase its own shares, according to Article 16 paragraphs 1 and 2 of the codified law. 2190/1920 "on Societies Anonymes", with a maximum purchase limit of 5% of the total shares of the company, maximum purchase price of 5.50 Euros / per share and minimum purchase price of 1.08, euros / per share within a time period, which will not exceed twenty-four (24) months from the date of receipt of the decision by the general meeting of shareholders. The purchases of own shares will be made to the extent that they are deemed advantageous and the available funds of the company will allow it. Also, the above general meeting of the company's shareholders has decided and authorized the company's board of directors to implement the decision of the general meeting and to regulate any other more specific issue, which is not specified in this decision, observed in any case of the provisions relevant legislation. The company's board of directors has not implemented this decision until 31-12-2019.

(i) Any significant agreement entered into by the Company, which enters into force, shall be amended or expired in the event of a change in the Company's control under a public proposal and the results of that Agreement, unless, by its nature, the agreement is made public. would cause serious damage to the company. The exception to the publication of the agreement does not apply when the obligation to publish arises from other provisions.

There is no such an agreement.

(j) Any agreement that the Company has entered into with members of its Board of Directors or its staff, which provides for compensation in the event of resignation or dismissal without good reason or termination of their term or employment due to a public offer.

The Company has no significant agreements with members of the Board of Directors or its employees providing for the payment of compensation, especially in the case of resignation or dismissal without good reason or termination of their period of office or employment due to a public offer.

Agia Paraskevi, 30 March 2020

The Chairman of Board

S. MANOLOPOULOS

The Board of Directors

3 INDEPENDENT AUDITOR'S REPORT

PKF Euroauditing S.A.
Certified Public Accountants

Audit Tax &
Business advisory

To the Shareholders of **SPACE HELLAS S.A**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying separate and consolidated financial statements of “SPACE HELLAS S.A." (Company), which comprise the separate and consolidated statement of financial position as of 31 December 2019, the separate and consolidated income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and notes to the separate and consolidated financial statements, including a summary of significant accounting policies.
In our opinion, the consolidated financial statements present fairly, in all material respects the separate and consolidated financial position of the Company and the Group as at 31 December 2019, their separate and consolidated financial performance and their separate and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs), as they have been transposed into Greek Law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the separate and consolidated financial statements section of our report.
We remained independent of the Company and its consolidated subsidiaries throughout our audit in accordance with the Code of Ethics for Professional Auditors of the International Ethics Standards Board for Accountants, as incorporated in the Greek Legislation and the ethical requirements related to the audit of corporate and consolidated financial statements in Greece and we have fulfilled our ethical obligations in accordance with the requirements of applicable law and abovementioned Code of Ethics.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

1. Revenue recognition
In accordance with the accounting policy described in note 4.5.3.12 "Recognition of income and expenses" of the annual financial report, income is recognized when the relevant risks and rewards associated with the goods sold are transferred to the acquirer. Group revenues come from sales of technology equipment and services. Recognition of revenue involves the risk of inappropriate use of accrual accounting principle for the relevant year.

The Group has ongoing installation and maintenance service contracts for a large number of customers.
We have examined the wide internal controls of the company and the specific safeguards for monitoring revenue generation, ordering, contract execution, pricing and subsequent collection.

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We have conducted revenue analytical procedures and substantive audit procedures on a sample of transactions in order to obtain a reasonable basis for recognizing and accounting for revenue.

2. Recoverability of deferred tax assets
Note 4.6.26 of the accompanying financial statements refers to the deferred tax liability. This item also includes deferred tax receivables amounting to 669 thousand for which the Company estimates that a tax benefit will arise in the future.

For these amounts, we examined the ability of bad debt provisions to return tax benefits in the future.

3. Impairment of non-current assets

The Group's non-current assets comprise the recognized goodwill of € 597 thousand and value of investments in the share capital of subsidiaries, affiliates and other companies of € 2.127 thousand. According to the applicable accounting framework, it is necessary to assess at each financial statement date whether there is evidence of impairment of those assets and if needed appropriate impairment has been made.

For these amounts, we evaluated the management's estimates of whether there are indications of impairment of these assets, we examined the reasonability of the assumptions and the methodologies used to calculate the cash flows, discount rates and residual value.

Other information

Management is responsible for the other information. Other information, is included in the Board of Directors Report, for which reference is made in section "Report on Other Legal and Regulatory Requirements", in the Statements of the Members of the Board of Directors, but does not include the Consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the separate and consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate and consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard beyond what is mentioned in the Report on the Management of the Board of Directors in the "Report on Other Legal and Regulatory Requirements" below, if such matters are mentioned.

Responsibilities of management and those charged with governance 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 adopted 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 Group or to cease operations, or has no realistic alternative but to do so.

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

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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 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 of assurance, but is not a guarantee that an audit conducted in accordance with ISAs, as embodied in the 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 embodied in the Greek Legislation, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate and consolidated financial statements of the current period and are therefore the key audit matters.

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Report on Other Legal and Regulatory Requirements

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

a) The Board of Directors' Report includes a Corporate Governance Statement that contains the information required by article 152 of Law 4548/2018.

b) In our opinion the Board of Directors' Report has been prepared in accordance with the legal requirements of articles 150 and 153, and paragraph 1 (c and d) of article 152 of the Law 4548/2018 and the content of the Board of Directors' report is consistent with the accompanying consolidated financial statements for the year ended 31 December 2019.

c) Based on the knowledge and understanding concerning the Company and its environment, gained during our audit, we have not identified information included in the Board of Directors' report that contains a material misstatement.

2. Additional Report to the Audit Committee

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

3. Provision of Non-Audit Services

We have not provided any prohibited non-audit services per Article 5 of the EU Regulation 537/2014.
Non-audit services provided by us to the Group during the year ended December 31, 2019, are disclosed in note 4.6.3 of the separate and consolidated financial statements.

4. Appointment of the Auditor

We were appointed for the first time as Auditors of the Company and the Group by decision of the Annual General Meeting of Shareholders on 28/06/2005. Since then, our appointment has been continuously renewed for a total period of 14 years, based on the annual decisions of the regular General Meetings.

PKF EUROAUDITING S.A.
Certified Public Accountants

124 Kifissias Avenue, 115 26 Athens
S.O.E.L. Reg. No. 132

Athens, 01 April 2020

ANDREAS G. POURNOS
Certified Public Accountant
S.O.E.L. Reg. No. 35081

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4 ANNUAL FINANCIAL STATEMENTS FOR THE PERIOD FROM 1st JANUARY 2019 TO 31st DECEMBER 2019

4.1 TOTAL COMPREHENSIVE INCOME STATEMENT

4.1.1 INCOME STATEMENT

Amounts in € thousand	NOTES	Group		Company	
		01.01-31.12.2019	01.01-31.12.2018	01.01-31.12.2019	01.01-31.12.2018
Revenue	4.6.1	72.250	66.112	69.602	62.819
Cost of sales		-56.366	-50.225	-54.670	-48.521
Gross profit		**15.884**	**15.887**	**14.932**	**14.298**
Other income	4.6.2	1.642	1.656	1.478	1.506
Administrative expenses	4.6.3	-5.678	-5.609	-5.544	-5.443
Research and development cost	4.6.3	-1.181	-744	-1.181	-744
Selling and marketing expenses	4.6.3	-5.719	-5.489	-5.711	-5.479
Other expenses	4.6.4	-477	-981	-476	-900
Earnings before taxes, investing and financial results		**4.471**	**4.720**	**3.498**	**3.238**
Interest & other similar income		3	104	3	104
Interest and other financial expenses		-2.346	-2.385	-2.341	-2.378
in subsidiaries - associated companies	4.6.5	23	-358	449	568
Profit/(loss) before taxes		**2.151**	**2.081**	**1.609**	**1.532**
Less: Taxes	4.6.6	-635	-863	-376	-548
Profit after taxes (A)		**1.516**	**1.218**	**1.233**	**984**
- Equity Shareholders		1.516	1.218	1.233	984
- Minority Interests in subsidiaries		0	0	-	-
Earnings per share - basic (in €)		0,2348	0,1886	0,1910	0,1524

SUMMARY OF INCOME STATEMENT

	Group 01.01-31.12.2019	Group 01.01-31.12.2018	Company 01.01-31.12.2019	Company 01.01-31.12.2018
Profit after taxes	**6.283**	**5.942**	**5.289**	**4.454**
Less depreciation	1.812	1.222	1.791	1.216
Profit before interest and taxes, (EBIT)	**4.471**	**4.720**	**3.498**	**3.238**
Profit before taxes	**2.151**	**2.081**	**1.609**	**1.532**
Profit after taxes	**1.516**	**1.218**	**1.233**	**984**

4.1.2 Other comprehensive Income statement

Amounts in € thousand	NOTES	**Group**		**Company**	
		01.01-31.12.2019	**01.01-31.12.2018**	**01.01-31.12.2019**	**01.01-31.12.2018**
Profit after taxes (A)		**1.516**	**1.218**	**1.233**	**984**
- Company Shareholders		1.516	1.218	1.233	984
- Minority Interests in subsidiaries		0	0	-	-
Other comprehensive income after taxes					
Items that might be recycled subsequently					
Currency exchange differences from consolidation of subsidiaries		-6	9	0	0
Total Items that might be recycled subsequently		**-6**	**9**	**0**	**0**
Items that will not be recycled subsequently					
Revaluation of Buldings		0	-345	0	-345
Deffered tax from revaluation of buldings		0	100	0	100
Change of income tax rate		153	0	153	0
Actuarial losses due to accounting policy change (IAS19)		-31	-42	-31	-42
Actuarial loss taxes		7	12	7	12
Total Items that will not be recycled subsequently		**129**	**-275**	**129**	**-275**
Other comprehensive income after taxes (B)		**123**	**-266**	**129**	**-275**
Total comprehensive income after taxes (A) + (B)		**1.639**	**952**	**1.362**	**709**
- Company Shareholders		1.639	952	1.362	709
- Minority Interests in subsidiaries		0	0	-	-

SUMMARY OF OTHER COMPREHENSIVE INCOME STATEMENT

Profit after taxes	**1.516**	**1.218**	**1.233**	**984**
Other comprehensive income after taxes	**123**	**-266**	**129**	**-275**
Total comprehensive income after taxes	**1.639**	**952**	**1.362**	**709**

Note

Current year

- *The amount of € 153 thousand which was charged directly to equity concerns the effect of the change of the income tax rate on the deferred tax from the revaluation of buildings. The amount after taxes -24 thousand € which was charged directly to equity concerns actuarial loss recognized in the Other Total Revenues (DPL 19). and the amount of -6 thousand € from exchange rate differences to €.*
- *IFRS 16 was applied recognizing the overall impact on the 'Retained Earnings Balance Sheet' account, without adjusting the comparative figures for 2018 (note 4.5.3.1).*

Previews year

- *The amount of €-266 thousand charged, net of taxes, directly to the equity, comprises the net amount of € 245 thousand from revaluation of buildings, the net amount of € -30 thousand of actuarial results and € 9 thousand, from currency exchange differences.*

4.2 FINANCIAL POSITION STATEMENT

Amounts in € thousand	notes	Group		Company	
		31.12.2019	**31.12.2018**	**31.12.2019**	**31.12.2018**
ASSETS					
Non-current assets					
Property, plant & equipment	4.6.7	15.749	15.913	15.706	15.864
Right of Use	4.6.9	1.353	0	1.341	0
Investment properties	4.6.10	0	0	0	0
Goodwill	4.6.11	597	597	597	597
Intangible assets	4.6.8	2.852	2.099	2.815	2.099
Investments in subsidiaries	4.6.13	0	0	34	34
Investments in associates	4.6.13	2.127	1.004	2.104	1.004
Other long term receivables	4.6.14	31	331	31	331
Total Non-current assets		**22.709**	**19.944**	**22.628**	**19.929**
Current assets					
Inventories	4.6.15	6.625	4.416	6.625	4.416
Trade debtors	4.6.16	14.722	16.163	14.639	15.933
Other debtors	4.6.17	4.546	4.179	4.297	4.157
Financial assets		13	13	13	13
Advanced payments	4.6.18	3.443	395	3.423	382
Cash and cash equivalents	4.6.19	17.082	13.158	16.281	12.394
Total Current assets		**46.431**	**38.324**	**45.278**	**37.295**
TOTAL ASSETS		**69.140**	**58.268**	**67.906**	**57.224**
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent					
Share Capital	4.6.20	6.973	6.973	6.973	6.973
Share premium	4.6.21	53	53	53	53
Fair value reserves	4.6.21	2.329	2.176	2.329	2.176
Other Reserves	4.6.21	980	924	1.040	978
Retained earnings		6.054	5.011	4.996	4.236
Equity attributable to equity holders of the parent		**16.389**	**15.137**	**15.391**	**14.416**
Minority interests		**1**	**2**	**-**	**-**
Total equity		**16.390**	**15.139**	**15.391**	**14.416**
Non-current liabilities					
Other non-current liabilities	4.6.23	6	6	6	6
Long term loans	4.6.22	15.307	12.674	15.307	12.674
Long term lease liabilities		1.183	0	1.181	0
Provisions	4.6.28	61	61	61	61
Retirement benefit obligations	4.6.25	885	804	885	804
Deferred income tax liability	4.6.26	640	425	640	425
Total Non-current liabilities		**18.082**	**13.970**	**18.080**	**13.970**
Current liabilities					
Trade and other payables	4.6.27	21.986	18.009	21.763	17.698
Income tax payable		2.808	2.544	2.808	2.534
Short-term borrowings		9.682	8.606	9.682	8.606
Shory term lease liabilities		192	0	182	0
Total Current liabilities		**34.668**	**29.159**	**34.435**	**28.838**
Total Equity and Liabilities		**69.140**	**58.268**	**67.906**	**57.224**

IFRS 16 was applied recognizing the overall impact on the 'Retained Earnings Balance Sheet' account, without adjusting the comparative figures for 2018 (note 4.5.3.1).

4.3 STATEMENT OF CHANGES IN EQUITY

4.3.1 Statement of Changes in Company's Equity

Amounts in € thousand	Share Capital	Share premium	Fair value reserves	Treasury shares	Other Reserves	Retained earnings	Total
Balance at 31 December 2017 (IFRS)	**6.973**	**53**	**2.421**	**0**	**978**	**3.764**	**14.189**
Accounting policy change	**0**	**0**	**0**	**0**	**0**	**-30**	**-30**
Balance at 1 January 2018	**6.973**	**53**	**2.421**	**0**	**978**	**3.734**	**14.159**
Profit for the year	0	0	0	0	0	984	**984**
Share Capital increase/ (decrease)	0	0	0	0	0	0	**0**
Dividends distributed (profits)	0	0	0	0	0	-452	**-452**
Other reserves	0	0	0	0	0	0	**0**
Net income recognized directly in equity	0	0	0	0	0	0	**0**
Revaluation of buldings	0	0	-345	0	0	0	**-345**
Tax from Revaluation of buldings	0	0	100	0	0	0	**100**
Treasury shares purchased	0	0	0	0	0	0	**0**
Actuarial loss	0	0	0	0	0	-42	**-42**
Actuarial loss tax	0	0	0	0	0	12	**12**
Balance at 31 December 2018 (IFRS)	**6.973**	**53**	**2.176**	**0**	**978**	**4.236**	**14.416**
Balance at 1 January 2019	**6.973**	**53**	**2.176**	**0**	**978**	**4.236**	**14.416**
Profit for the year	0	0	0	0	0	1.233	**1.233**
Share Capital increase/ (decrease)	0	0	0	0	0	0	**0**
Dividends distributed (profits)	0	0	0	0	0	-387	**-387**
Other reserves	0	0	0	0	62	-62	**0**
Net income recognized directly in equity	0	0	0	0	0	0	**0**
Revaluation of buldings	0	0	0	0	0	0	**0**
Tax from Revaluation of buldings	0	0	0	0	0	0	**0**
Change in income tax rate	0	0	153	0	0	0	**153**
Treasury shares purchased	0	0	0	0	0	0	**0**
Actuarial loss	0	0	0	0	0	-31	**-31**
Actuarial loss tax	0	0	0	0	0	7	**7**
Balance at 31 December 2019 (IFRS)	**6.973**	**53**	**2.329**	**0**	**1.040**	**4.996**	**15.391**

Note:

Current period

- *The amount of € 153 thousand which was charged directly to equity concerns the effect of the change of the income tax rate on the deferred tax from the revaluation of buildings.*
- *The amount after taxes -24 thousand € which was charged directly to equity concerns actuarial loss recognized in the Other Total Revenues (DPL 19).*
- *The amount of 62 thousand concerns the formation of legal reserve according to the applicable law.*

Previews period

- *The amount of € -30 thousand concerns the impact from the adoption of IFRS 9 and 15, directly to the opening balance of retained earnings (note 4.5.3.1).*
- *The amount of €-345 thousand charged directly to Equity concerns the revaluation of buildings performed by independent valuators, together with the charge of deferred tax of € 100 thousand.*
- *The amount of € -30 thousand charged directly to the equity concerns actuarial loss in recognized to other comprehensive income*

4.3.2 Statement of Changes in Group's Equity:

Amounts in € thousand	Share Capital	Share premium	Fair value reserves	Treasury shares	Other Reserves	Accumulated profit / (loss)	Total	Non controlling interest	Total net Equity
Balance at 31 December 2017 (IFRS)	**6.973**	**53**	**2.421**	**0**	**915**	**4306**	**14.668**	**2**	**14.670**
Accounting policy change	**0**	**0**	**0**	**0**	**0**	**-31**	**-31**	**0**	**-31**
Balance at 1 January 2018	**6.973**	**53**	**2.421**	**0**	**915**	**4.275**	**14.637**	**2**	**14.639**
Profit for the year	0	0	0	0	0	1.218	**1.218**	0	**1.218**
Share Capital increase/ (decrease)	0	0	0	0	0	0	**0**	0	**0**
Dividends distributed (profits)	0	0	0	0	0	-452	**-452**	0	**-452**
Net income recognized directly in equity	0	0	0	0	9	0	**9**	0	**9**
Revaluation of buildings	0	0	-345	0	0	0	**-345**	0	**-345**
Deferred tax of revaluation of buildings	0	0	100	0	0	0	**100**	0	**100**
Treasury shares purchased	0	0	0	0	0	0	**0**	0	**0**
Non controlling interests	0	0	0	0	0	0	**0**	0	**0**
Actuarial loss	0	0	0	0	0	-42	**-42**	0	**-42**
Actuarial loss tax	0	0	0	0	0	12	**12**	0	**12**
Balance at 31 December 2018 (IFRS)	**6.973**	**53**	**2.176**	**0**	**924**	**5.011**	**15.137**	**2**	**15.139**
Balance at 1 January 2019	**6.973**	**53**	**2.176**	**0**	**924**	**5.011**	**15.137**	**2**	**15.139**
Profit for the year	0	0	0	0	0	1.516	**1.516**	0	**1.516**
Share Capital increase/ (decrease)	0	0	0	0	0	0	**0**	0	**0**
Dividends distributed (profits)	0	0	0	0	0	-387	**-387**	0	**-387**
Other reserves	0	0	0	0	62	-62	**0**	0	**0**
Net income recognized directly in equity	0	0	0	0	-6	0	**-6**	-1	**-7**
Change in incme tax rate	0	0	153	0	0	0	**153**	0	**153**
Treasury shares purchased	0	0	0	0	0	0	**0**	0	**0**
Minority interests	0	0	0	0	0	0	**0**	0	**0**
Actuarial loss	0	0	0	0	0	-31	**-31**	0	**-31**
Actuarial loss tax	0	0	0	0	0	7	**7**	0	**7**
Balance at 31 December 2019 (IFRS)	**6.973**	**53**	**2.329**	**0**	**980**	**6.054**	**16.389**	**1**	**16.390**

Note:

Current year

- *The amount of € 6 thousand € charged directly to equity concerns from exchange rate differences to €.*
- *The amount after taxes -24 thousand € which was charged directly to equity concerns actuarial loss recognized in the Other Total Revenues (DPL 19)*
- *The amount of € 153 thousand which was charged directly to equity concerns the effect of the change of the income tax rate on the deferred tax from the revaluation of buildings.*
- *The amount of 62 thousand concerns the formation of legal reserve according to the applicable law.*

Previews year

- *The amount of € 9 thousand € charged directly to equity concerns from exchange rate differences to €.*
- *The amount of € -31 thousand concerns the impact from the adoption of IFRS 9 and 15, directly to the opening balance of retained earnings (note 4.5.3.1).*
- *The amount of €-345 thousand charged directly to Equity concerns the revaluation of buildings performed by independent valuators, together with the charge of deferred tax of € 100 thousand.*
- *The amount of € -30 thousand charged directly to the equity concerns actuarial loss in recognized to other comprehensive income*

4.4 CASH FLOW STATEMENT

Amounts in € thousand	Group		Company	
	01.01-31.12.2019	01.01-31.12.2018	01.01-31.12.2019	01.01-31.12.2018
Cash flows from operating activities				
Profit/(Loss) Before Taxes	2.151	2.081	1.609	1.532
Adjustments for:				
Depreciation & amortization	1.812	1.222	1.791	1.216
Impairment of assets	0	595	0	595
Provisions	311	387	310	387
Foreign exchange differences	-199	296	-193	292
Net (profit)/Loss from investing activities	-32	14	-457	-918
Interest and other financial expenses	2.346	2.385	2.341	2.378
Plus or minus for Working Capital changes:				
Decrease/(increase) in Inventories	-2.209	-838	-2.209	-838
Decrease/(increase) in Receivables	-1.878	-2.084	-1.956	-2.361
(Decrease)/increase in Payables (excluding banks)	4.689	1.998	4.793	2.065
Less:				
Interest and other financial expenses paid	-1.816	-1.983	-1.810	-1.976
Taxes paid	-320	-262	0	0
Total cash inflow/(outflow) from operating activities (a)	**4.855**	**3.811**	**4.219**	**2.372**
Cash flow from Investing Activities				
Acquisition of subsidiaries, associated companies, joint ventures and other investments	-1.100	0	-1.100	0
Purchase of tangible and intangible assets	-2.726	-1.528	-2.686	-1.501
Proceeds from sale of tangible and intangible assets	42	15	42	15
Interest received	0	104	0	104
Dividends received	0	0	547	1.300
Total cash inflow/(outflow) from investing activities (b)	**-3.784**	**-1.409**	**-3.197**	**-82**
Cash flow from Financing Activities				
Proceeds of share capital of subsidiary	5.818	6.101	5.818	6.101
Proceeds from Borrowings	-2.109	-2.587	-2.109	-2.587
Proceeds from leases	-469	0	-457	0
Payments of Borrowings	-387	-452	-387	-452
Total cash inflow/(outflow) from financing activities (c)	**2.853**	**3.062**	**2.865**	**3.062**
Net increase/(decrease) in cash and cash equivalents (a)+(b)+(c)	**3.924**	**5.464**	**3.887**	**5.352**
Cash and cash equivalents at beginning of period	**13.158**	**7.694**	**12.394**	**7.042**
Cash and cash equivalents at end of period	**17.082**	**13.158**	**16.281**	**12.394**

IFRS 16 was applied by recognizing its overall effect on the "Retained earnings balance" account without adjusting the comparative amounts for 2018 (note 4.5.3.1)

4.5 NOTES ON SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

4.5.1 INFORMATION ON SPACE HELLAS S.A

4.5.1.1 General Information

The company operating under the corporate name "SPACE HELLAS S.A", by virtue of the revised Deed of Association (revision date 08.07.2007) and approved by the Ministry of Development (decision K2-10518), was founded in 1985, (Deed of Association, upon power of attorney n.86369/15.07.1985, approved by the Prefecture of Attiki, EM 4728/1.8.85, and published in the Official Gazzete of Greece, (ΦΕΚ 2929/8.8.85 ΤΑΕ & ΕΠΕ).The company's duration has been set to 100 years, its legal address is 312, Mesogion Ave, Agia Paraskevi, Attica, Greece. On 30.06.2008, the descision of the General Meeting, approved by the Ministerial Decision K2 9624/1-9-2008 (registerd in the Societers Anonymes Register at 01.09.2008) and published in the Official Gazette of Greece (ΦΕΚ 10148/3.9.2008 ΤΑΕ & ΕΠΕ), has extended the company's up to year 2049.
The company's S.A. General Commercial Registry Number is 375501000 and the Tax Register Number (ΑΦΜ) is 094149709. The company's shares are ordinary registerd shares and have been listed in ASE since 29.09.2000. Its headquarters are in the municipality of Agia Paraskevi, Attica, 312 Messogion Ave.The URL address is http://www.space.gr.

4.5.1.2 Operating Activities

For more than 30 years, Space Hellas has consistently confirmed its leading role in the ICT market (Information and Communication Technologies), whether in the design, installation and configuration of complex Informatics and Security infrastructures or in the implementation and completion of demanding System Projects Integration.

Space Hellas is a leading System Integrator and Value Added Solutions Provider in Telecommunications, Informatics and Security. It offers complete technological solutions, certified according to the ISO 9001: 2015 quality assurance standard and ISO / IEC 27001: 2013 information security, which ensures that its procedures include all the necessary audits in terms of confidentiality, integrity and availability of information so that Data and resources involved in any commercial activity are protected.

As an innovative company, it is a pioneer in new technological trends such as Cloud Based Services, Internet Of Things, Smart Cities, Big Data, Blockchain, AI, etc. The wide range of solutions and services it has covers all kinds of needs in ICT technologies (Information and Communication Technologies) and security such as data communications, IT and IT infrastructure, telecommunications, unified communications, information security and physical security, audiovisual systems, etc. Also, managed services, consulting, training and transfer of know-how, project management, as well as information security management system development services, program development services are provided. personal data protection in order to adapt to the requirements of the GDPR and DPO Services

Space Hellas offers incomparable quality of technical support services to its customers according to the IT management service standard ISO 20000: 2018 and through the award-winning state-of-the-art Network and Security Business Operations Center, which operates according to the ITILv3 standard. serves the largest companies, financial institutions and public organizations on a 24-hour basis, offering the possibility of repairing damage within 2 hours for customers who have strict SLAs. Through this, all technical support services are coordinated at the national level, but also outside Greece.

Its clientele includes the largest banks and private companies, industries, store chains, telecommunications service providers, ministries and government agencies, as well as the Armed Forces.

The superiority of Space Hellas is recognized by its customers who trust it in the course of its many years of presence, the company has entered into strategic partnerships with the most important international high-tech providers, which allows it to successfully carry out large and complex projects for companies of high prestige and organizations in Greece, but also abroad.

Space Hellas' commitment to research and development offers a significant lead in ICT markets (IT and Communication Technologies), and security that revolve around innovation and knowledge activities. The company's ongoing investments, as well as its participation in National and International research and innovative programs in close cooperation with internationally recognized organizations, enable it to identify excellent opportunities for innovation, explore and develop new technologies and implement the acquired knowledge in the direction of meeting the future and ever-changing requirements of its customers.

4.5.1.3 Board of Directors

On 6-9-2017 the Minutes of the Company's Board of Directors of 30th August 2017 was registered in the General Commercial Registry (GEMI) (registration number 1156249) according to which, after the 29-8-2017 election of a new executive member, the Board of Directors of the company was reconstituted as follows:

- Spyridon D. Manolopoulos, Chairman of the Board, executive member
- Ioannis A. Mertzanis Chief Executive Officer, executive member
- Christos P. Mpellos, Vice-president of the Board, and non executive member
- Ioannis A. Doulaveris, executive member
- Panagiotis C. Mpellos, executive member
- Paparizou K. Anastasia, executive member
- Georgios P. Lagogiannis, executive member.
- Patsouras N. Athanasios indipendent non-executive member.
- Xatzistamatiou N.Theodoros, indipendent non-executive member.

The term of office of the members of the Board of Directors is five years and ends with the election of a new Board of Directors by the General Meeting of the shareholders of the company to be held in the first half of 2020.

4.5.1.4 Group Structure

SPACE HELLAS S.A. is the parent company of the Group. The consolidated financial statements (Group) include the financial statements of the parent Company, its subsidiaries, affiliates and joint ventures. A table showing the Group's investments and the method of consolidation as at 31.12.2019 is presented below:

Corporate name	Country	Sector	Ownership percentage		Consolidation method
			Direct	Indirect	
Subsidiaries					
SPACE HELLAS (CYPRUS) LTD	Cyprus	ICT	100%	-	Full Consolidation
SPACE HELLAS SYSTEM INTEGRATOR S.R.L.	Romania	ICT- Investment Properties	-	99,45%	Full Consolidation
SPACE HELLAS Doo Beograd-Stari Grad	Serbia	ICT	-	100%	Full Consolidation
SPACE HELLAS (MALTA) LTD	Malta	ICT	-	99,98%	Full Consolidation
SPACE ARAB LEVANT TECHOLOGIES COMPANY	Jordan	ICT	-	100%	Full Consolidation
Associates					
Web-IQ B.V.	Netherlands	Specialiased applications	32,28%	-	Equity method
Other investments					
MOBICS S.A.	Greece	Software Development	18,10%	-	-

4.5.2 Summary of significant Accounting Policies

4.5.2.1 Basis of Preparation

The accompanying annual financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Council (IACS), as well as their relevant Interpretations, as published by the Standing Committee. adopted by the European Union and binding on the uses expiring on 31 December 2018, in addition to the new standards and interpretations adopted, the implementation of which has become mandatory for what periods after 1 January 2019.
There are no standards and interpretations of standards that have been implemented before their implementation.

The accompanying interim financial statements have been prepared complying with the historical cost convention, adjusted with the revaluation of certain assets and liabilities at fair values and with the principle of going concern «going concern».

The Group's comparative advantage is its satisfied customers, its specialized know-how, its excellent organization, continuous investment in modern equipment, its staffing with highly specialized human resources, the development of new products, the recognition of its credibility demonstrated by the excellent relations of the Group with its suppliers and the largest credit institutions in the country and abroad are the guarantee for long-term survival with significant benefits for the shareholders.

The preparation of financial statements was made in accordance with International Financial Reporting Standards, and the Group Management is required to make assumptions and accounting estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of preparation financial statements as well as the reported revenues and expenses during the reporting period. Although these estimates are based on the best knowledge of management with respect to the circumstances and the current conditions, actual results may differ from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are considered reasonable under the circumstances. The Group's management believes that there are no assumptions or estimates that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities. Important assumptions made are mentioned in the notes, whenever deemed necessary.

The figures in this report are shown in thousands of Euro, except when otherwise indicated. Any differences presented between the amounts in the financial statements and the corresponding amounts in the notes are due to rounding. Where necessary, comparative figures have been classified to conform to changes in presentation of the elements of this period.

4.5.3 New standards, interpretations and amendments to published standards

New standards and interpretations not yet adopted

IFRS 16 *(effective for annual accounting periods beginning on or after 1 January 2019).* IFRS 16 was issued in January 2016 and replaces IAS 17. The purpose of the standard is to ensure that lessees and lessors provide useful information that reasonably discloses the substance of transactions relating to leases. IFRS 16 introduces a single model for the accounting treatment by the lessee requiring the lessee to recognize assets and liabilities for all lease contracts with a maturity of more than 12 months unless the underlying asset is of non-significant value. Regarding accounting treatment by the lessor, IFRS 16 substantially integrates the requirements of IAS 17. Therefore, the lessor continues to categorize leases in operating and finance leases and to follow different accounting treatment for each type of contract.. The impact of applying the Standard to the Group and the Company is described in note 4.5.3.1.

IFRS 9 (Amendments) "Early Repayment Rights with Negative Redemption" *(effective for annual periods beginning on or after 1 January 2019).* The amendments allow companies, if they meet a specific condition, to measure financial assets with the right to early repayment and the payment of negative compensation at amortized cost or at fair value through other comprehensive income rather than at fair value through profit or loss. The amendments do not have an impact on the Financial Statements of the Group and the Company.

IAS 28 (Amendments) "Long-term interests in associates and joint ventures*" (effective from annual accounting periods beginning on or after 1 January 2019).* The amendments specify that entities shall account for their long-term interests in an associate or joint venture - to which the equity method does not apply - under IFRS 9. The amendments have no impact on the Group's and Company's Financial Statements.

IFRIC 23 "Uncertainty about the handling of income tax issues" *(applied to annual accounting periods beginning on or after 1 January 2019).* The Interpretation provides explanations for the recognition and measurement of current and deferred income tax when there is uncertainty about the tax treatment of certain items. IFRIC 23 applies to all aspects of income tax accounting when there is such uncertainty, including taxable profit / loss, the tax base of assets and liabilities, tax profits and tax. losses and tax rates.

IAS 19 (Amendments) "Schedule Amendment, Cut or Settlement" *(effective for annual periods accounting periods beginning on or after 1 January 2019).* The amendments specify how entities should determine retirement expenses when changes to defined benefit pension plans occur. The amendments do not have a material impact on the financial statements of the Group and the Company.

Annual Improvements to IFRSs (Cycle 2015 - 2017) (*effective for annual periods beginning on or after 1 January 2019).*
The amendments listed below include changes to four IFRSs.
IFRS 3 "Business Combinations". The amendments specify that an entity revalues the percentage previously held in a jointly controlled activity when it acquires control of that entity.
IFRS 11 "Joint arrangements". The amendments specify that an entity does not revalue the percentage previously held in a jointly controlled activity when it jointly obtains control of that entity.
IAS 12 "Income Taxes". The amendments specify that an entity accounts for all the effects of dividend payments in the same way.

IAS 23 "Borrowing Costs". The amendments specify that an entity handles as part of the general lending any loan specifically committed to the development of an asset when that asset is ready for its intended use or sale.

The above amendments did not have an impact on the Financial Statements of the Group and the Company.

Standards and interpretations required for subsequent periods:

The following new Standards, Interpretations and Amendments to Standards have been issued by the International Accounting Standards Board (IASB), but have either not yet entered into force or have been adopted by the European Union.

Amendments to IFRS 3: "Definition of a Business" *(effective for annual periods beginning on or after 01/01/2020).* The new definition focuses on the concept of rendering a business in the form of providing goods and services to customers as opposed to the previous definition which focused on returns in the form of dividends, lower costs or other financial benefits to investors and other parties. The amendments have not yet been endorsed by the European Union. The adoption of these amendments is not expected to have an impact on the Financial Statements of the Group and the Company.

Amendments to IAS 1 and IAS 8: "Definition of Substantive" *(effective for annual periods beginning on or after 01/01/2020).* The amendments clarify the definition of material and how it should be used, supplementing the definition with guidance that has been provided elsewhere in IFRSs. In addition, the clarifications that accompany the definition have been improved. Finally, the amendments ensure that the definition of material is consistently applied to all IFRSs. The amendments have not yet been endorsed by the European Union. The adoption of these amendments is not expected to have an impact on the Financial Statements of the Group and the Company.

Amendments to IAS 1 "Classification of liabilities as short-term or long-term" *(applicable to the annual accounting periods beginning on or after 1 January 2022)*: The amendment clarifies that liabilities are classified as short-term or overdue reference. The classification is not affected by the entity's expectations or events after the reference date. In addition, the amendment clarifies the importance of the term "settlement" of an obligation of IAS 1. The amendment has not yet been adopted by the EU.

IFRS 17 "Insurance Contracts" *(effective for annual periods beginning on or after 1 January 2021).* IFRS 17 was issued in May 2017 and replaces IFRS 4. IFRS 17 establishes the principles for the recognition, measurement and presentation of insurance policies that are within the scope of the standard and related disclosures. The purpose of the standard is to ensure that an entity provides relevant information that gives a fair view of these contracts. The new standard solves the comparability problems created by IFRS 4 as it requires all insurance policies to be accounted for in a consistent manner. Insurance liabilities will be measured at fair value rather than historical cost. The standard has not yet been endorsed by the European Union. The above standard does not apply to the Financial Statements of the Group and the Company.

There are no other standards or interpretations that are mandatory for later periods and which are expected to be important in the Group's financial statements.

4.5.3.1 Accounting Methods and Changes

There are no changes in the accounting policies applied in relation to those used in the preparation of the financial statements as at 31 December 2018, except for the new standards and interpretations adopted, which became mandatory for the periods after 1 January 2019:

IFRS 16 "Leases" *(effective for annual periods beginning on or after 1 January 2019).* IFRS 16 was issued in January 2016 and replaces IAS 17. The purpose of the standard is to ensure that tenants and lessors provide useful information. presenting it reasonably
essence of leasing transactions. IFRS 16 introduces a single model for accounting treatment by the lessee that requires the lessee to recognize assets and liabilities for all leases with a maturity of more than 12 months, unless the underlying asset is of non-significant value. . With regard to the lessor's accounting treatment, IFRS 16 substantially incorporates the requirements of IAS 17. Therefore, the lessor continues to categorize the leases into operating and financial leases, followed by a different accounting treatment for each type of contract. The Group and the Company were not affected by the adoption of IFRS 16 in the case of lessors.

SPACE Group has decided as the most appropriate method for the initial application of IFRS 16, the retrospective application by adjusting the balance of the start-up balance at the transition date. According to this method, it has recognized a financial liability at the present value of the residual lease, discounted at an Incremental borrowing rate on the date of first application, namely 1/1/2019 and a Right to Equity Loan.

A key component in calculating the present value of the remaining lease payments was the use of the Increase Rate. The Incremental Borrowing Rate (I.B.R.) calculated the interest rate that the company could receive in order to acquire assets corresponding to those to which the operating leases concerned relate.

Schematically the methodological approach for the first application of the standard on 1/1/2019 is as follows:

Current interest rate
- Determination of Existing Borrowing Rate

IBR
- Determination of IBR on 01.01.2019
  - i. Moody's rating model with existing lending
  - ii.Moody's rating model with additional lending
  - iii. Determination of augmentation (Delta Rate) due to additional borrowing

Lease Liability
- Recognition of a Financial Liability equal to the present value of the leases of each contract on 01.01.2019

Right of use
- Recognition of Rights of Use Equal to the Value of the Financial Obligation on 01.01.2019

- $IBR = \text{Existing Borrowing Rate} + \text{Incremental spread}$
  $= 4.67\% + 0.13\% = 4.80\%$

The Group recognizes use of rights and lease obligations for most leases other than short-term leases (less than one-year lease) and leases for which the underlying asset is of low value (less than approximately € 4,500).

The right of use and the obligation of leases is recognized on the date the lease commences. The right to use is initially measured at cost and subsequently at cost less any accumulated depreciation, impairment losses and adjustments for certain leases. The recognized rights of use relate to the following asset classes:

	Rights of Use	
Amounts in € thousand	**Group**	**Company**
Vehicle leases	717	717
Bulding leases	346	322
Total as at 01.01.2019	**1.063**	**1.039**

The main implications of adopting the above standard are the following:

FINANCIAL POSITION

Amounts in € thousand	Group			Company		
	31.12.2018	IFRS 16 Adjustmens	01.01.2019	31.12.2018	IFRS 16 Adjustmens	01.01.2019
ASSETS						
Non-current assets						
Property, plant & equipment	15.913		15.913	15.864		15.864
Rights of Use	0	1.063	1.063	0	1.039	1.039
Investment properties	0		0	0		0
Goodwill	597		597	597		597
Intangible assets	2.099		2.099	2.099		2.099
Investments in subsidiaries	0		0	34		34
Investments in associates	1.004		1.004	1.004		1.004
Other long term receivables	331		331	331		331
Deffered tax assets	0		0	0		0
Total Non-current assets	**19.944**	**1.063**	**21.007**	**19.929**	**1.039**	**20.968**
Current assets						
Inventories	4.416		4.416	4.416		4.416
Trade debtors	16.163		16.163	15.933		15.933
Other debtors	4.179		4.179	4.157		4.157
Financial assets	13		13	13		13
Advanced payments	395		395	382		382
Cash and cash equivalents	13.158		13.158	12.394		12.394
Total Current assets	**38.324**	**0**	**38.324**	**37.295**	**0**	**37.295**
TOTAL ASSETS	**58.268**	**1.063**	**59.331**	**57.224**	**1.039**	**58.263**
EQUITY AND LIABILITIES						
Equity attributable to equity holders of the parent						
Share Capital	6.973		6.973	6.973		6.973
Share premium	53		53	53		53
Fair value reserves	2.176		2.176	2.176		2.176
Other Reserves	924		924	978		978
Retained earnings	5.011		5.011	4.236		4.236
Equity attributable to equity holders of the parent	**15.137**	**0**	**15.137**	**14.416**	**0**	**14.416**
Minority interests	**2**		**2**	**-**		**-**
Total equity	**15.139**	**0**	**15.139**	**14.416**	**0**	**14.416**
Non-current liabilities						
Other non-current liabilities	6		6	6		6
Long term loans	12.674		12.674	12.674		12.674
Long term leases	0	643	643	0	631	631
Provisions	61		61	61		61
Retirement benefit obligations	804		804	804		804
Deferred income tax liability	425		425	425		425
Total Non-current liabilities	**13.970**	**643**	**14.613**	**13.970**	**631**	**14.601**
Current liabilities						
Trade and other payables	18.009		18.009	17.698		17.698
Income tax payable	2.544		2.544	2.534		2.534
Short-term borrowings	8.606		8.606	8.606		8.606
Short term leases	0	420	420	0	408	408
Total Current liabilities	**29.159**	**420**	**29.579**	**28.838**	**408**	**29.246**
Total Equity and Liabilities	**58.268**	**1.063**	**59.331**	**57.224**	**1.039**	**58.263**

As already stated, the lease liability is initially measured at the present value of the payments of such leases that have not been repaid at the start date, discounted, using the IBR Growth Rate.

Subsequently the lease liability is increased by the interest expense calculated on the lease liability and reduced by the payment of rents.

During the period ended 31.12.2019, the Group and the Company have recognized in the income statement expenses, depreciation and interest expense rather than operating lease expense. At Group level, depreciation expense recognized amounted to € 492 thousand and interest expense amounted to € 61 thousand.

At Company level, depreciation expense recognized amounted to € 230 thousand and interest expense amounted to € 60 thousand.

The impact on Earnings before Taxes, Interest and Depreciation (EBITDA) from the application of IFRS 16 was positive by € 553 thousand for the Group and € 540 thousand for the Company due to the recognition of depreciation expense and interest instead of expense from rentals.

4.5.3.2 Property, Plant And Equipment

Fixed assets are disclosed in the financial statements at their acquisition cost or fair value. Fair value is the amount for which a fixed asset can be exchanged between parties that have knowledge of the subject and act voluntarily in a purely commercial operation. The initial recognition of an asset is always at the cost. The cost of acquisition of fixed assets includes directly allocated costs (purchase price, transport, premiums, non-refundable purchase taxes, etc.) necessary to be operational at the date of preparation of the financial statements

The Group's and Company's Buildings are measured at fair value as at 30.06.2018 based on valuation performed by independent valuators.

Other assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is charged to the Income Statement on a straight-line basis over the estimated useful life of the fixed assets. The land is not depreciated.

Intangible assets include goodwill, concessions and industrial property rights, as well as computer software both acquired and internally generated as well. The cost of internally generated software comprises the cost of materials and the cost of personnel as well as other costs incurred in order to prepare the asset for the intended use. The criteria used in order to recognize the costs incurred as intangible assets are:

- Intention of the Group to proceed in the creation of the asset
- Technical possibility of completion of the asset to make it ready for use or sale.
- Adequate technical, financial and other resources for the completion of the asset.
- Group's ability to use or sale the asset.
- Capability of the maternally generated asset to create future economic benefits for the Group
- Reliable measurement of the expenditure attributable to the asset during its development.

The cost of purchasing and deploying software recognized as intangible assets is depreciated using the straight-line method over its useful life.

Concessions and industrial property rights are no subject to depreciation because of the difficulty to estimate with accuracy their commercial value.
The useful lives of the assets are as follows:

Description	Useful live (in years)
Buildings and buildings installations	50
Buildings and buildings installations in third parties	12
Plant and machinery	16
Plant and machinery Leased	10
Furniture	16
Fittings	10
Office equipment	10
Telecommunication equipment	10
Other equipment	10
Electronics equipment	5
Cars	5
Trucks	10
Other means of transportation	5
Intangible assets (software acquired/internally generated)	5

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

4.5.3.3 Investment property

Investment property is intended to generate rental income or profit from its resale. The properties used for the Group's operating activities are not considered as investment but operational. This is also the criterion of separation between investment and operating real estate.
Investment properties as long-term assets are disclosed at fair value, which will be revalued at each end of the year. Any changes in fair value, which represents the free market price, are recognized in the other income / expense of the income statement

4.5.3.4 Impairment of Assets

Assets with an indefinite useful life are not depreciated and are subject to an impairment review annually and when some events suggest that the book value may not be recoverable any resulting difference is charged to the period's results.
Assets that are depreciated are subject to an impairment review when there is evidence that their value will not be recoverable. The recoverable value is the greater between the net sales value and the value in use. An impairment loss is recognized by the company when the book value of these assets (or cash generating unit- CGU) is greater than its recoverable amount.
Net sales value is the amount received from the sale of an asset at an arm's length transaction in which participating parties have full knowledge and participate voluntarily, after deducting any additional direct cost for the sale of the asset, while value in use is the present value of estimated future cash flows that are expected to flow into the company from the use of the asset and from its disposal at the end of its estimated useful life

4.5.3.5 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiary, joint venture and associate at the date of acquisition.
Goodwill on acquisitions of subsidiaries and joint ventures are included in intangible assets and disclosed at the acquisition cost. This cost equals the consolidation cost that exceeds the company's share to the assets and liabilities of the acquired entity. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. The Group performs its annual impairment test of goodwill as at 31 December. When needed, impairment is determined for goodwill by assessing the recoverable amount of the cash-generating units, to which the goodwill relates.

4.5.3.6 Consolidation

- Subsidiaries

Subsidiaries are entities (including special purpose entities) in which the Group has an interest of more than one half of the voting rights or otherwise has power to govern the financial and operating policies.
Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries. Note 1.6(a) outlines the accounting policy on goodwill. The cost of an acquisition is measured as the sum of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued by the Group, in exchange for control of the acquired plus any costs directly attributable to the acquisition. The acquired identifiable assets, liabilities and contingent liabilities are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interests.
The excess of the cost of acquisition over the fair value of the net assets of the subsidiary acquired is recorded as goodwill. Where the cost of the acquisition is less than the fair value of the Group's share of the net assets of the subsidiary acquired, the difference is recognized directly in the income statement.
Inter-company transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated unless cost cannot be recovered. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

- Associates

Associates are entities over which the Group generally has between 20% and 50% of the voting rights, or over which the Group has significant influence, but which it does not control. Investments in associates are accounted for by the equity method of accounting and are initially recognized at cost. The Group's investment in associates includes goodwill (net of any cumulative impairments losses) identified in acquisition.
Under this method the Group's share of the post-acquisition profits or losses of associates is recognized in the income statement and its share of post-acquisition movements in other reserves is recognized in other reserves. The cumulative post-acquisition movements in balance sheet assets and liabilities are adjusted against the carrying amount of the investment.

- Joint Ventures

Joint ventures are consolidated using the full consolidated method. Under this method the investment is initially recognized at cost and is subsequently valued for the cumulative post-acquisition movements in balance sheet assets and liabilities and adjusted against the carrying amount of the investment. The share of the post-acquisition profits or losses of the joint ventures is recognized in the income statement.

- Other investments

Other investments concern non listed companies with ownership percentage less than 20% and with absence of control on the voting rights. In accordance with IAS 32 and 39 these investments are disclosed in acquisition cost less provisions for impairments.

4.5.3.7 Inventories

Inventories are disclosed at the lower of their acquisition cost and net realizable value. Net realizable value is the estimated selling price within the ordinary course of business of the enterprise, minus the estimated cost necessary to make the sale. The cost of inventories is determined using the weighted average method and includes the cost of acquiring inventories and their specific purchase costs (transport, insurance, etc.). Appropriate forecasts are formulated for discarded, useless and slow moving stocks. Write-downs of inventories in net realizable value and other inventory losses are recognized in the income statement in which the write-downs or losses occur.

4.5.3.8 Trade Receivables - Impairment

Trade receivables are initially recognized at fair value, which is at the same time the transaction value. Subsequently, they are valued at their amortized cost less the bad debt provision, which is formed when there is a risk of not collecting all or part of the amount due. The Group's management periodically reassesses the adequacy of the provision for doubtful debts in relation to its credit policy and taking into account the Group's legal service information obtained from the processing of historical data and recent developments of litigations. The amount of the provision for impairment is the difference between the carrying amount of the receivables and the present value of the estimated future cash flows and is included in the period's results. If, in a subsequent period, the impairment loss decreases and the decrease can be objectively related to events occurring after the impairment loss has been recognized (for example, improving the borrower's creditworthiness), the reversal of the loss is recognized in profit or loss. The fair value of trade and other receivables approximates the carrying amount.
The trade and other receivables of both the Company and the Group, except those for which a provision has been formed, are considered all collectable
.

4.5.3.9 Cash and Cash equivalents

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

4.5.3.10 Statuory Reserves

Legal Reserve: the company is obliged according to the applicable commercial law 2190/1920 art. 44 and 45 to form as legal reserve of 5% of their annual net profits up to 1/3 of the paid up share capital.. This reserve cannot be distributed during the operational life of the company, but can be used to cover loses.
Based on existing Greek tax law, tax exempt reserves under special laws are exempt from income tax, provided that they are not distributed to shareholders. The Group does not intend to distribute these reserves and has thus not provided for the tax liability that would arise in the event that these reserves were to be distributed. Any distribution from these reserves can only occur following the approval of shareholders in a general meeting and after the applicable taxation is paid by the Company
Tax exempted reserves: These reserves are formed when there are:
Tax exempted Earnings, in accordance with the applicable tax framework in Greece. In case of distribution of these gains these will be taxable at the corporate tax rate in force at the time of distribution to shareholders or converted to equity after the Annual General Meeting of shareholders taking into account the restrictions that may apply every time

Partially taxed earnings which are taxed at a lower tax rate than the then current rate in Greece. In case of distribution of the gains will be taxable at the corporate tax rate in force at the time of distribution to shareholders or converted to equity after the Annual General Meeting of shareholders taking into account the constraints that may apply each time.

4.5.3.11 Share Capital

All the shares are registered and listed for trading in the Securities Market of the Athens Exchange since 29-9-2000. All shares are ordinary and nominal. The Share capital amounts to € 6.973.052,40 and is divided to 6.456.530 ordinary nominal voting shares of nominal value 1,08 € each and its fully paid up.

4.5.3.12 Revenue and Expense Recognition

Revenue:

The Group and the Company recognize income, excluding interest income, dividends and any other source arising from financial instruments (which are recognized under IFRS 9), to the extent that they reflect the price the Company is entitled to from the transfer of goods and services based on a five-step approach:

- Recognition of contracts with customers
- Recognition of the terms of contract execution
- Determining the transaction price

- Allocation of the transaction price according to the terms of contract execution
- Recognition of revenue when the Company fulfills the conditions for performance of the contracts

Revenue includes sales of goods and services, net of Value Added Tax, Discounts and Refunds. Revenue is recognized when it is probable that the economic benefits will flow to the Group and can be measured reliably. Revenues from technical projects are recognized in the results of the period, depending on the stage of completion of the contractual activity at the date of preparation of the financial statements. Therefore, the cost of projects that have been executed but not invoiced to the customer respectively is recognized in the income statement together with the relevant contract revenue. Intra-group revenues within the Group are completely eliminated

Interest income: This income is recognized proportionally according to maturity and using the effective rate.
Dividends: Dividends are recognized according to the maturity for collection rights.

Expenses are recognized in the income statement on an accrual basis. Payments realized for Operating leases are transferred in the income statement as expenses, during the time of use of the leased element

4.5.3.13 Research and Development expenses

Continuous progress is an integral part of the Group's role as the market is characterized by rapidly evolving technology. Many software products are based on proprietary technologies. The Group is investing significant resources in the R&D sector to develop innovative products so that it can meet the requirements of its customers, but also be able to compete effectively in the markets.

4.5.3.14 Grants

Grants are recognized at their fair value when it is probable that the amount of the subsidy will be received and the company has complied or will comply with the terms of the Grant.
State subsidies regarding expenses, are deferred and recognized in the Profit and Loss Statement so as to correspond to the expenses they are designated to indemnify.

4.5.3.15 Financial instruments – Fair Value

The Group and the Company use the following hierarchy to determine and disclose the fair value of financial instruments on a valuation basis:
Level 1: Negotiable (unadjusted) prices in active markets for similar assets or liabilities. The fair value of financial assets traded on active financial markets is determined on the basis of the published prices prevailing at the balance sheet date. An "active" money market exists when there are readily available and regularly reviewed prices published by a stock exchange, broker, industry, rating agency or supervising body, which represent real and often repetitive transactions and are made under normal commercial terms.

Level 2: Other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly. The fair value of financial assets that are not traded on active financial markets (eg derivatives contracts outside the derivatives market) is determined using valuation techniques that are mostly based on available information for transactions in active markets while using as few as possible estimates.

Level 3: Techniques using inputs that have a significant effect on the recorded fair value and are not based on observable market data

Techniques used to measure the financial assets include:
- market prices or quotes for similar items.
- Fair value of commodities hedging transactions which is determined as the present value of future cash flows (based on available performance trends).

During the year, there were no transfers between levels 1 and 2, nor transfers within or outside level 3, for the measurement of the fair value. The amounts disclosed in the Financial Position Statement with regard to cash, trade receivables, short-term liabilities and short term banking borrowings, approach their corresponding fair values due to their short-term maturity.

The valuation method was determined taking into account all factors to determine accurately the fair value and these items are measured at Level 3 of the hierarchy for determining fair value. There were no changes in valuation techniques used by the Group during the period

4.5.3.16 Provisions

Provisions, according to IAS 37, are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain

The Group recognizes a provision for onerous contracts when the expected benefits to be derived from a contract are less than the unavoidable costs of meeting the obligations under the contract.
Restructuring provisions comprise lease termination penalties and employee termination payments, and are recognized in the period in which the Group becomes legally or constructively committed to payment. Costs related to the ongoing activities of the Group are not provided in advance.
Long-term provisions are determined by discounting the expected future cash flows and taking the risks specific to the liability into account.

4.5.3.17 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred, in line with IAS 23. In subsequent periods, borrowings are stated at amortized cost using the effective yield method.

4.5.3.18 Employee Benefits

Short-term benefits: Short-term benefits to the employees (apart from the benefits for the termination of the labour relationship) in cash and in goods are recorded for as an expense when they become payable. Any outstanding amount is recorded as a liability, while in the case where the amount already paid exceeds the amount of the benefits; the company records the excess amount as its asset (prepaid expense) only to the extent that the prepayment will lead to the reduction of future payments or to a return.

Benefits after exiting from the service: The benefits comprise defined benefit plans as well as defined contribution plans.

Defined contribution plan: A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods.

Defined benefit plan: The liability in respect of defined benefit pension or retirement plans, including certain unfunded termination indemnity benefit plans, is the present value of the defined benefit obligation at the balance sheet date minus the fair value of plan assets (where funded) together with adjustments for actuarial gains/ losses and past service cost. The defined benefit obligation is calculated at periodic intervals by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by the estimated future cash outflows using interest rates applicable to high quality corporate bonds or government securities which have terms to maturity approximating the terms of the related liability.

4.5.3.19 Leases

Leases in which virtually all property risks and benefits are retained by owners are classified as operating leases. Other leases are classified as financial leases. Rent payments based on operating leases are recorded in the costs based on the fixed method during the lease. Assets held on the basis of financial leases are recorded as assets of the company, appraised at the time of the lease, at their fair value or if they are less than the present value of the minimum rents payable. The relevant obligation to the lessor is recorded in the balance sheet as an obligation from a financial lease. The leased payments are divided into financial expenses and payment of an obligation in a way that gives a fixed interest rate on the remaining balance of the obligation. The financial expense is recorded in the expenses if it is directly related to an asset. Receipts resulting from operating leases are recorded as income based on the fixed method during the lease. Amounts due by tenants based on financial leases are recorded as receivables equal to the net investment in the lease. Relevant revenue is recorded in the results in a way that gives a stable, over time, return on the company's unpaid net investment.

4.5.3.20 Income Tax & Deferred Tax

Income tax consists of current taxes, deferred taxes, that is, tax charges or rebates related to the economic benefits accruing in the period but which have already been accounted for or will be accounted for by the tax authorities in different periods and the provisions for additional taxes which may arise from an audit by the tax authorities. Income tax is recognized in the statement of comprehensive income for the period, both that relating to transactions recorded directly in equity and that relating to the period's results. The current income tax relates to the tax on the taxable profits of the companies included in the consolidation as reformed according to the requirements of the tax laws and was calculated on the basis of the applicable tax rates of the countries in which the companies of the group operate. Deferred income tax is calculated using the liability method in all temporary differences at the balance sheet date between the tax base and the carrying amount of assets and liabilities. The expected tax effects of the temporary tax differences are determined and presented either as deferred tax liabilities or as deferred tax assets. Deferred tax is determined on the basis of the tax rates at the balance sheet date. Deferred tax assets are recognized for all tax deductible temporary differences and tax losses transferred to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference may be utilized. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is unlikely that taxable profits will be available for which part or all of the deferred tax assets may be used

4.5.3.21 Foreign Currency Transactions

Items included in the financial statements of each entity in the Group are measured in the functional currency, which is the currency of the primary economic environment in which each Group entity operates. The consolidated financial statements are presented in Euros, which is the functional, and presentation currency of the Company and the presentation currency of the Group.
Gains or losses resulting from foreign currency re-measurements are reflected in the accompanying statements of income. Gains or losses resulting from transactions are also reflected in the accompanying statements of income.
Exchange differences arising from conversion of financial statements in foreign subsidiaries are recognized in equity reserve through the statement of other comprehensive income.

4.5.3.22 Fincancial instruments

Financial instruments at fair value

The financial assets and liabilities reflected on the statement of financial position include cash and cash equivalents, trade and other accounts receivable, investments, trade accounts payable and short and long term liabilities
These accounts are presented as assets, liabilities or equity components based on the substance and the contents of the related contractual agreements from which they are derived. Interest, dividends, profit o losses which result from financial assets or liabilities are recognized as income or expenses, respectively.

The value at which the Group's financial assets and liabilities are disclosed in the financial statements does not differ from their fair value.

4.5.3.23 Fincancial Risk Management

- **Financial Risk Factors**

The Group's activities give rise to a variety of financial risks, including foreign exchange, interest rate, credit and liquidity risks. The Group's overall risk management program focuses on the volatility of financial markets and seeks to minimize potential adverse effects on the financial performance of the Group as a whole.
Risk management is carried out by the Group's management which evaluates the risk associated to the Group's activities and functions, and designs the policy by using the appropriate financial tools in order to mitigate the risk.
The Group's financial instruments consist mainly of deposits with banks, bank overdrafts, and trade accounts receivable and payable.

- **Foreign Exchange Risk**

The Group's foreign exchange exposure arises from actual or anticipated cash flows (exports/ imports) in currencies other than its base currency. Exposures related to future trade agreements and recognized elements of assets and liabilities are managed through the use of forward exchange contracts when needed. The main transaction currencies are USD and the Euro.

In table below there is sensitivity analysis of the earnings before taxes due to currency exchange rate changes

Currency	31.12.2019		31.12.2018	
USD	Exchange rate variation	Effect on profit before tax	Exchange rate variation	Effect on profit
	10%	-510	6%	-340
	-10%	510	-6%	340

- **Price Risk**

The Group is not exposed to securities price risk. The Group is exposed in risk due to the variations of the value of the goods used for trade and of the raw-materials used. In order to face the risk of impairment of inventories, a rationalized warehouse management aims to minimize the stock according to progress of the production needs. The level of the inventories in relation to the Group's turnover is significantly low. Our goal is to minimize the stock holding time so as to eliminate the risk of impairment.

- **Interest Rate Risk**

The Group's operating profits and cash flows are partly affected by changes in interest rates.
The Group's policy is to constantly monitor interest rate trends as well as the duration of financial needs. Therefore, the decisions on the duration as well as the relationship between fixed and fluctuating costs of a new loan are taken separately for each case and at any time. As a result, most loans have been subject to floating interest rates.
Therefore, depending on the current level of net borrowing, the change in borrowing base interest rates (EURIBOR) has a proportional effect on the Group's results.

The period we are going through is characterized as a period of zero and negative interest rates. Recently, the United States followed such a policy with continuous interest rate cuts. However, careful monitoring and management of interest rate risk reduces the risk of a significant impact on short-term potential interest rate fluctuations.

Sensitivity analysis of Group's borrowings due to interest rate changes:

Currecy	31.12.2019		31.12.2018	
euro	Interest rate variation	Effect on profit before tax	Interest rate variation	Effect on profit before tax
	1%	-230	1%	-190
	-1%	230	-1%	190

- **Credit Risk**

Credit risk stems from cash and cash equivalents, bank deposits, derivative financial instruments, and credit risk reports from customers.

Customer receivables come mainly from large private and public sector organizations. The financial position of the customers is closely monitored and redefined according to the new conditions. The Group assesses the creditworthiness of each customer, either through an independent appraisal body or internally taking into account its financial position, previous transactions and other parameters, controlling the amount of credit. Customer credit limits are set based on internal or external evaluations, always in accordance with the limits set by the Management. Given that the unfavorable economic situation in the domestic market after the economic crisis creates risks for possible bad debts, the management estimates that it has set up sufficient mechanisms to deal with them, taking into account the structure of the Group's clientele. Regarding the company's exposure to the risk of non-collection of receivables from the public, this risk has been significantly reduced, as the remaining outstanding has been reduced. In addition, with the implementation of tax law provisions where companies offset their obligations to the Greek State with their overdue receivables from it, it helps in the same direction. For special credit risks, provisions for impairment losses are provided. Receipt of receipts is a matter for management, but it is not related to the creditworthiness of our debtors.

In order to minimize the credit risk in the Cash equivalents, the Group, within the framework of approved policies by the Board of Directors, sets limit on the amount to be exposed. Also with regard to deposit products, the Group trades only with recognized financial institutions of credit rating. Regarding the effect of the coronavirus, the group's estimates are mentioned below in a special paragraph of the same chapter 2.5.

- **Liquidity Risk**

Liquidity risk is addressed both by the steady stream of receipts and by providing sufficient cash resources from bank financing (focusing on funding on project basis), which is based on the excellent relationship we have with the largest credit institutions in the country and provides sufficient credit lines to finance our business plans.
In addition, excellent relationships with our suppliers, which are based on long-lasting, reliable and stable relationship, provide us with significant help in trying to smooth cash flow.
The table below summarizes the maturity profile of financial liabilities for current period and 2018 respectively.

Group

Amounts in € thousand	Total		Less than 1 Year		1 to 5 years		>5years	
	2019	2018	2019	2018	2019	2018	2019	2018
Borrowings	**24.989**	**21.280**	9.682	8.606	12.277	9.169	3.030	3.505
Long and short term leases	**1.375**	**0**	192	0	1.183	0	0	0
Trade and other payables	**24.800**	**20.559**	24.794	20.553	-	-	6	6

Company

Amounts in € thousand	Total		Less than 1 Year		1 to 5 years		>5years	
	2019	2018	2019	2018	2019	2018	2019	2018
Borrowings	**24.989**	**21.280**	9.682	8.606	12.277	9.169	3.030	3.505
Long and short term leases	**1.363**	**0**	182	0	1.181	0	0	0
Trade and other payables	**24.577**	**20.238**	24.571	20.232	0	0	6	6

IFRS 16 was applied recognizing the overall impact on the 'Retained Earnings Balance Sheet' account, without adjusting the comparative figures for 2018 (note 4.5.3.1).

- ### Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a strong investment grade credit rating and healthy capital ratios in order to support its operations and maximize shareholder value.

The group's policy is to maintain leverage targets in line with an investment grade profile. The gearing ratio is calculated by dividing the net borrowing with the total capital employed.

	Group		Company	
Amounts in € thousand	**2019**	**2018**	**2019**	**2018**
Short term Borrowings	9.682	8.606	9.682	8.606
Long term Borrowings	15.307	12.674	15.307	12.674
Less: cash and cash equivalents	-17.082	-13.158	-16.281	-12.394
Net Debt	**7.907**	**8.122**	**8.708**	**8.886**
Equity	16.387	15.139	15.388	14.416
Total capital employed	**24.294**	**23.261**	**24.096**	**23.302**
Gearing ratio	**32,55%**	**34,92%**	**36,14%**	**38,13%**

The leverage ratio is further reduced as a result of the reduction in net debt, which is declining faster than the increase in total capital. The continued creation of free cash flows, combined with the increase in EBITDA, contributes to this reduction.

- ### Risk of COVID-19 spread

Given the high uncertainty surrounding the evolution of the coronavirus, credit rating agencies are reviewing their forecasts for the development of the global economy, as the coronavirus will hit economic growth in many countries in the first half of 2020.

The full extent of the economic cost will be uncertain for some time. Fear of transmission will reduce consumer and business activity. The more time it takes for households and businesses to get back to normal, the greater the economic impact. However, it is estimated that global efforts to curb the spread of the virus and, perhaps, the hottest weather in the Northern Hemisphere in the spring and summer will allow economic activity to recover in the second half of the year.

On the other hand, fiscal and monetary policy measures will help reduce the damage to individual economies. Statements from the fiscal authorities, central banks and international organizations so far suggest that its response will be strong in the affected countries, but this does not ensure the achievement of the desired result as the virus is still spreading.

The Space Hellas group, in the context of its obligation to disclose information (market disclosure), considers that at this stage there is no significant impact on its basic figures as well as its financial situation. However, the uncertainty still exists and therefore we will always look at the data that emerge and we will inform further in the financial statements of the semester or earlier if this is deemed necessary.

In particular, most of the group's activity is carried out with large and medium-sized customers operating in sectors with different demand for IT products and network equipment, a possible impact from Covid-19, given that due to the current situation, technological needs for communication and interoperability have on the contrary increased. The group and the company both assess the ability to meet both potential increased demand and reduce lead time to meet increased maintenance and / or infrastructure improvements in response to the collective effort to tackle the pandemic, given that in many cases telecommunications are the only means of operation and communication and as such are a priority.

Following the above, the Group is closely monitoring the developments regarding the spread of the COVID-19 coronavirus, its position as a leading System Integrator and Value Added Solutions Provider in the field of telecommunications, IT and security, gives it the opportunity to respond Immediately in these difficult times and implement, as far as possible, its plan for the smooth operation of its activities, always in compliance with applicable law and obligations as required by the official instructions of competent authorities at national level.

In this context, it takes precautionary measures for the safety of employees, which at this stage is an absolute priority, has established and maintains clear internal and external protocols for regular and urgent communication with employees and other key stakeholders.

Business travel outside Greece have stopped since the beginning of March and have been kept to a minimum within Greece and high-tech systems are being used for remote work (teleworking). Additional human resource planning has also been put in place for staff performing critical operations for operational continuity in order to minimize the risk of downtime and ensure operational continuity.

The Group has a cautious stance on the timing of the projects it has already undertaken or will undertake in the year, as, in addition to any other unforeseen factors, the spreading of the coronavirus in Greece may negatively affect the domestic IT market due to possible delays in the acquisition of equipment from abroad, as well as because some business groups may postpone for a while the launch of their investment projects on the technology front. Also, all this turbulence may affect the speed of state mechanisms in the promotion of public works.

Despite all the problems that the coronavirus can cause in the IT market, there are individual activities in the industry that may be positively affected as these conditions will change the way businesses, organizations and working groups operate and create a wider culture of fewer personal contacts and more distance communication. This is likely to create a mentality for more permanent technology solutions, especially for cloud-based services, which Space Hellas is ready to offer.

The specific conditions we are experiencing clearly affect, at least in the short term, the economic environment and lead us to assess whether we have a significant increase in credit risk (SICR). The nature of the effects of the economic shock is considered temporary and, combined with the impact of government support and relief measures, lead us to conclude that these counterbalanced forces are offset.

Using past information and more specifically the crisis of 2015 in our country we can say that the increase in credit risk did not significantly affect our company as credit risk management policies worked satisfactorily. The management estimates that at this time there is no need to change the underlying assumptions affecting IFRS 9 and consequently the increase in credit risk.

However, since the phenomenon is in full development, and despite we do not see a significant impact on the group's fundamentals today, its quantitative and qualitative effects on the operation of the Group and the Company cannot be assessed at present. More reliable estimates will be presented in the Interim Economic Status.

- **Other operational risk**

A reliable internal Control System has been established by the company’s management in order to timely identify potential distortions in the company’s commercial activities. The insurance coverage against all risks is deemed to be sufficient. The Group and the Company do not expect to face significant short term risks. The company’s expertise, the continuous investment in human resource and the solid infrastructures combined with the development of new products enable the preservation of its competitive advantage and the skill to penetrate in new markets mitigating the risks.

4.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS OF YEAR 2019

4.6.1 Operating Segments

Business segment is a distinct part of the Company and the Group which provides products and services subject to different grades of risk and performance that is different from those of other business segments.
Geographical segments provide products or services within a particular economic environment that is subject to risks and performances that are different from those of components operating in other economic environments.
The Group and the company's segments are based on the products and services provided.

Primary segment – Business segments

The Group organizes its activities in three segments:

- Technology providers of solutions and services to the business environment. (Value Added Solutions)
- IT projects (integraton)
- Resellers' network for mobile telecommunications.

The segment consolidated results for the current and previews period are as follows:

Group												
	Technology Solutions and Services			Integration projects			Mobile telecommunications			Total		
Amounts in € thousand	2019	2018	+/-%	2019	2018	+/-%	2019	2018	+/-%	2019	2018	+/-%
Revenue	57.240	60.295	-5,07%	13.600	4.507	201,75%	1.410	1.310	7,63%	**72.250**	**66.112**	9,28%
Gross profit	12.432	13.592	-8,53%	2.980	1704	74,88%	472	591	-20,14%	**15.884**	**15.887**	-0,02%
EBIT	4.553	4.992	-8,79%	1482	686	116,03%	248	264	-6,06%	**6.283**	**5.942**	5,74%
Earnings before taxes	-	-	-	-	-	-	-	-	-	**2.151**	**2.081**	3,36%
Earnings after taxes	-	-	-	-	-	-	-	-	-	**1.516**	**1.218**	24,47%

Secondary segment – Geographical segment

The Group's main geographical space is Greece, where the parent company's registed office is lovated.
The subsidiary company «SPACE HELLAS CYPRUS LTD», has its registered offices in Cyprus and is a parent of subsidiaries

- SPACE HELLAS SYSTEM INTEGRATOR SRL headquartered in Romania,
- SPACE HELLAS HELLAS Doo Beograd-Stari Grad based in Serbia,
- SPACE HELLAS (MALTA) LTD based in Malta,
- SPACE AAB LEVANT TECHNOLOGIES COMPANY headquartered in Jordan

with growing activities, though not significant in relation to the totality of the Group.

4.6.2 Other Operating Income

	Group		Company	
Amounts in € thousand	**01.01-31.12.2019**	**01.01-31.12.2018**	**01.01-31.12.2019**	**01.01-31.12.2018**
Service provision	14	2	14	2
Income from property leases	52	56	52	56
Government Grants	1.073	1.111	1.073	1.111
Other extraordinary income	162	151	5	2
Other extraordinary gains	8	9	8	9
Currency exchange gains	311	169	304	168
Prior year's income	22	158	22	158
Total other operating income	**1.642**	**1.656**	**1.478**	**1.506**

4.6.3 Operating Expenses

Breakdown of Administration expenses:

	Group			Company		
Amounts in € thousand	**01.01-31.12.2019**	**01.01-31.12.2018**	**+/-%**	**01.01-31.12.2019**	**01.01-31.12.2018**	**+/-%**
Payroll expenses	2.855	2.725	4,77%	2.855	2.725	4,77%
Third parties' fees and expenses	775	854	-9,25%	707	741	-4,59%
Third parties' utilities and services	757	862	-12,18%	744	841	-11,53%
Taxes and dues	195	183	6,56%	188	165	13,94%
Sundry expenses	624	616	1,30%	581	606	-4,13%
Depreciations	398	299	33,11%	395	295	33,90%
Provisions	74	70	5,71%	74	70	5,71%
Total operating expenses	**5.678**	**5.609**	**1,23%**	**5.544**	**5.443**	**1,86%**

Breakdown of Research and Development:

	Group			Company		
Amounts in € thousand	**01.01-31.12.2019**	**01.01-31.12.2018**	**+/-%**	**01.01-31.12.2019**	**01.01-31.12.2018**	**+/-%**
Payroll expenses	694	436	59,17%	694	436	59,17%
Third parties' fees and expenses	57	21	171,43%	57	21	171,43%
Third parties' utilities and services	13	14	-7,14%	13	14	-7,14%
Taxes and dues	3	3	0,00%	3	3	0,00%
Sundry expenses	42	34	23,53%	42	34	23,53%
Depreciations	372	236	57,63%	372	236	57,63%
Total operating expenses	**1.181**	**744**	**58,74%**	**1.181**	**744**	**58,74%**

Breakdown of Distribution and Selling expenses:

	Group			Company		
Amounts in € thousand	**01.01-31.12.2019**	**01.01-31.12.2018**	**+/-%**	**01.01-31.12.2019**	**01.01-31.12.2018**	**+/-%**
Payroll expenses	3.625	3.528	2,75%	3.625	3.528	2,75%
Third parties' fees and expenses	453	594	-23,74%	453	594	-23,74%
Third parties' utilities and services	374	430	-13,02%	374	430	-13,02%
Taxes and dues	68	58	17,24%	68	58	17,24%
Sundry expenses	636	575	10,61%	628	565	11,15%
Depreciations	563	304	85,20%	563	304	85,20%
Total operating expenses	**5.719**	**5.489**	**4,19%**	**5.711**	**5.479**	**4,23%**

Administration expenses comprise the Group, the fees for services related to the regular audit of the financial statements € 31 thousand, the tax compliance report € 10 thousand and fees for other assurance services € 4 thousand, while for the company, the fee for services related to the regular audit of the financial statements € 19 thousand, the tax compliance report € 10 thousand and fees for other assurance services € 4 thousand.

4.6.4 Other Operating Expenses

amounts in € thousand	Group		Company	
	01.01-31.12.2019	01.01-31.12.2018	01.01-31.12.2019	01.01-31.12.2018
Extraordinary expenses	67	102	67	102
Loss from currency exchange	111	465	110	461
Provisions for receivables of doubtful collection	236	333	236	256
Other provisions	0	61	0	61
Extraordinary losses	63	11	63	11
Prior year's expenses	0	9	0	9
Total other operating expenses	**477**	**981**	**476**	**900**

4.6.5 Financial results

amounts in € thousand	Group		Company	
	01.01-31.12.2019	01.01-31.12.2018	01.01-31.12.2019	01.01-31.12.2018
Gain/Loss from affiliated companies	23	-33	0	-33
Impairment of goodwill	0	-325	0	-325
Dividends	0	0	449	926
Total financial results	**23**	**-358**	**449**	**568**

During the current year, the group's investment results show an amount of € 23 thousand, which concerns the income from the consolidation of our affiliate WEB IQ with the method of net position.

During the previous fiscal year, and impairment of the goodwill from the acquisition of 100% of our subsidiary "SPACE TECHNICAL CONSTRUCTION FINANCIAL SA", was charged for the amount of € 250 thousand as well as an impairment of the participation in the related company Mobics SA for the amount of € 75 thousand.

In addition, the result of the solution of the joint ventures "SOCIAL ACTIVITY Unisystems Information Systems SA (former INFO QUEST) - SPACE HELLAS" and "SOCCE HELLAS SOCCE HELLAS SA - KB IMPULS previous HELLAS AE was € -33 loss.

Both in the current and previous years, the company distributed profits from previous years, as a dividend from the subsidiary of SPACE HELLAS CYPRUS LTD.

4.6.6 Income Tax

The income tax expense imputed the results as following:

Amounts in € thousand	note	Group		Company	
		01.01-31.12.2019	01.01-31.12.2018	01.01-31.12.2019	01.01-31.12.2018
Current Income Tax		-259	-315	0	0
Deferred tax imputed to results	4.6.26	-376	-548	-376	-548
Total income tax charge to income statement (a)		**-635**	**-863**	**-376**	**-548**
Deferred tax recognized directly in equity (b)	4.6.26	160	112	160	112
Total tax (a+b)		**-475**	**-751**	**-216**	**-436**

From the fiscal year 2011 to the fiscal year 2015, the Greek corporations and the Limited Liability Companies, whose annual financial statements are compulsorily audited, were obliged to receive the "Annual Certificate" provided for in §5 of article 82 of Law 2238 / 1994 and article 65A of N4174 / 2014, issued following a tax audit carried out by the statutory auditor or an audit firm that audits the annual financial statements.

From the year 2016 onwards, the tax certificate is optional. Upon completion of the tax audit, the Statutory Auditor or Audit Office issues to the company a "Tax Compliance Report" and the Auditor or audit firm then submits it electronically to the Ministry of Finance, based on POL 1124/2015, as amended by the POL 1108/2017 by the tenth day of the tenth month following the end of the fiscal year.

For the Company and its Greek subsidiaries, and for the years 2011 to 2018, this audit has been completed with the issuance of the relevant Tax Compliance Reports without reservation.

There is ongoing tax audit of the company for the year 2019 by statutory auditors, from which no significant additional charges are expected to arise.

The basic tax rate for Public Limited Companies in Greece for the fiscal year ended December 31, 2019, according to Law 4646/2019, amounts to 24% compared to 29% of the previous fiscal year.

The purpose of the provision is to reduce the tax burden on legal entities and entities and thereby strengthen investment and business competitiveness.

Income tax reconciliation table:

	Group		Company	
Amounts in € thousand	**01.01-31.12.2019**	**01.01-31.12.2018**	**01.01-31.12.2019**	**01.01-31.12.2018**
Earnings before taxes	2.151	2.081	1.609	1.532
Tax calculated at the statutory tax rate	-516	-603	-386	-444
Expenses not deductible for tax purposes	-55	-372	-55	-372
Unused recognized tax losses	0	0	108	268
Effect of different tax rates in other countries	-21	112	0	0
Deferred tax recognized directly in equity	-43	0	-43	0
Total	-635	-863	-376	-548

4.6.7 Property, Plant And Equipment

Land and buildings are disclosed in the fair value as resulted from their revaluation as at 30.06.2018 carried out by independent valuators.

	Group					
Amounts in € thousand	Land	Buildings and buildings installation	Plant and machinery	Motor Vehicles	Furniture's & Fittings	**Total**
Opening Balance 01.01.2018	**7.086**	**4.526**	**10.104**	**65**	**2.759**	**24.540**
Plus: Additions	0	34	463	14	154	**665**
Revaluation	-151	-1.289	0	0	0	**-1.440**
Minus: Disposals	0	0	22	11	4	**37**
Ending balance 31.12.2018	**6.935**	**3.271**	**10.545**	**68**	**2.909**	**23.728**
Depreciation at 01.01.2018	**0**	**1.317**	**4.418**	**40**	**2.446**	**8.221**
Plus: Additions	0	142	477	5	84	**708**
Revaluation	0	-1.094	0	0	0	**-1.094**
Minus: Disposals	0	0	14	2	4	**20**
Depreciation at 31.12.2018	**0**	**365**	**4.881**	**43**	**2.526**	**7.815**
Ending balance 31.12.2018	**6.935**	**2.906**	**5.664**	**25**	**383**	**15.913**
Opening Balance 01.01.2019	**6.935**	**3.271**	**10.545**	**68**	**2.909**	**23.728**
Plus: Additions	0	52	336	27	213	**628**
Minus: Disposals	0	0	28	24	4	**56**
Ending balance 31.12.2019	**6.935**	**3.323**	**10.853**	**71**	**3.118**	**24.300**
Depreciation at 01.01.2019	**0**	**365**	**4.881**	**43**	**2.526**	**7.815**
Plus: Additions	0	140	510	5	104	**759**
Minus: Disposals	0	0	10	9	4	**23**
Depreciation at 31.12.2019	**0**	**505**	**5.381**	**39**	**2.626**	**8.551**
Ending balance 31.12.2019	**6.935**	**2.818**	**5.472**	**32**	**492**	**15.749**

Amounts in € thousand	Company					
	Land	Buildings and buildings installation	Plant and machinery	Motor Vehicles	Furniture's & Fittings	Total
Opening Balance 01.01.2018	**7.086**	**4.526**	**10.065**	**65**	**2.759**	**24.501**
Plus: Additions	0	34	437	14	154	**639**
Revaluation	-151	-1.289	0	0	0	**-1.440**
Minus: Disposals	0	0	22	11	4	**37**
Ending balance 31.12.2018	**6.935**	**3.271**	**10.480**	**68**	**2.909**	**23.663**
Depreciation at 01.01.2018	**0**	**1.317**	**4.406**	**40**	**2.446**	**8.209**
Plus: Additions	0	142	473	5	84	**704**
Revaluation	0	-1.094	0	0	0	**-1.094**
Minus: Disposals	0	0	14	2	4	**20**
Depreciation at 31.12.2018	**0**	**365**	**4.865**	**43**	**2.526**	**7.799**
Ending balance 31.12.2018	**6.935**	**2.906**	**5.615**	**25**	**383**	**15.864**
Opening Balance 01.01.2019	**6.935**	**3.271**	**10.480**	**68**	**2.909**	**23.663**
Plus: Additions	0	52	336	27	213	**628**
Minus: Disposals	0	0	28	24	4	**56**
Ending balance 31.12.2019	**6.935**	**3.323**	**10.788**	**71**	**3.118**	**24.235**
Depreciation at 01.01.2019	**0**	**365**	**4.865**	**43**	**2.526**	**7.799**
Plus: Additions	0	140	504	5	104	**753**
Minus: Disposals	0	0	10	9	4	**23**
Depreciation at 31.12.2019	**0**	**505**	**5.359**	**39**	**2.626**	**8.529**
Ending balance 31.12.2019	**6.935**	**2.818**	**5.429**	**32**	**492**	**15.706**

4.6.8 Intangible Assets

Intangible assets of the Group and the Company include third party Software, other intangible assets and owned software. Investments in intangible assets include the cost of development of software in the form of integrated software for use within our operating area of Technology Solutions and Services. The item on other intangible assets relates to the acquisition value of a brand, but due to the inability to reliably measure their commercial viability and their inflow in the near future no depreciation has been made.

Amounts in € thousand	Group		
	Software	Other intangibles	Total Intangibles
Opening Balance 01.01.2018	**4.266**	**714**	**4.980**
Plus: Additions	862	0	**862**
Minus: Disposals	0	0	**0**
Ending balance 31.12.2018	**5.128**	**714**	**5.842**
Depreciation at 01.01.2018	**2.928**	**301**	**3.229**
Plus: Additions	512	2	**514**
Minus: Disposals	0	0	**0**
Depreciation at 31.12.2018	**3.440**	**303**	**3.743**
Ending balance 31.12.2018	**1.688**	**411**	**2.099**
Opening Balance 01.01.2019	**5.128**	**714**	**5.842**
Plus: Additions	1.274	49	**1.323**
Minus: Disposals	0	0	**0**
Ending balance 31.12.2019	**6.402**	**763**	**7.165**
Depreciation at 01.01.2019	**3.440**	**303**	**3.743**
Plus: Additions	556	14	**570**
Minus: Disposals	0	0	**0**
Depreciation at 31.12.2019	**3.996**	**317**	**4.313**
Ending balance 31.12.2019	**2.406**	**446**	**2.852**

Amounts in € thousand	Company		
	Software	Other intangibles	Total Intangibles
Opening Balance 01.01.2018	**4.256**	**714**	**4.970**
Plus: Additions	862	0	**862**
Minus: Disposals	0	0	**0**
Ending balance 31.12.2018	**5.118**	**714**	**5.832**
Depreciation at 01.01.2018	**2.920**	**301**	**3.221**
Plus: Additions	510	2	**512**
Minus: Disposals	0	0	**0**
Depreciation at 31.12.2018	**3.430**	**303**	**3.733**
Ending balance 31.12.2018	**1.688**	**411**	**2.099**
Opening Balance 01.01.2019	**5.118**	**714**	**5.832**
Plus: Additions	1.274	0	**1.274**
Minus: Disposals	0	0	**0**
Ending balance 31.12.2019	**6.392**	**714**	**7.106**
Depreciation at 01.01.2019	**3.430**	**303**	**3.733**
Plus: Additions	556	2	**558**
Minus: Disposals	0	0	**0**
Depreciation at 31.12.2019	**3.986**	**305**	**4.291**
Ending balance 31.12.2019	**2.406**	**409**	**2.815**

4.6.9 RIGHTS IF USE

Amounts in € thousand	Group		
	Buldings	Transportation vehicles	Total rights of use
Opening Balance 01.01.2019	**346**	**717**	**1.063**
Plus: Additions	6	776	**782**
Minus: Disposals	0	0	**0**
Ending balance 31.12.2019	**352**	**1.493**	**1.845**
Depreciation at 01.01.2019	**0**	**0**	**0**
Plus: Depreciation expense	80	412	**492**
Minus: Depreciation of disposed elements	0	0	**0**
Depreciation at 31.12.2019	**80**	**412**	**492**
Ending balance 31.12.2019	**272**	**1.081**	**1.353**

Amounts in € thousand	Company		
	Buldings	Transportation vehicles	Total rights of use
Opening Balance 01.01.2019	**322**	**717**	**1.039**
Plus: Additions	6	776	**782**
Minus: Disposals	0	0	**0**
Ending balance 31.12.2019	**328**	**1.493**	**1.821**
Depreciation at 01.01.2019	**0**	**0**	**0**
Plus: Depreciation expense	80	400	**480**
Minus: Depreciation of disposed elements	0	0	**0**
Depreciation at 31.12.2019	**80**	**400**	**480**
Ending balance 31.12.2019	**248**	**1.093**	**1.341**

IFRS 16 was applied recognizing the overall impact on the 'Retained Earnings Balance Sheet' account, without adjusting the comparative figures for 2018 (note 4.5.3.1).

4.6.10 Investment properties

During the current period, there were no assets that should be classified as investment property.

4.6.11 Goodwill

The Goodwill, amounting to € 597 thousand, comprised among the noncurrent assets, resulted from the following operations:

	Group- Company		
Amounts in € thousand	SPACEPHONE S.A.	SPACE TECHNICAL CONSTRUCTION BUILDING SA	**Total**
Opening Balance 01.01.2018	**428**	**419**	**847**
Additions	0	0	0
Imapairments	0	-250	-250
Ending balance 31.12.2018	**428**	**169**	**597**
Opening Balance 01.01.2019	**428**	**169**	**597**
Additions	0	0	0
Imapairments	0	0	0
Ending balance 31.12.2019	**428**	**169**	**597**

Goodwill is subject to impairment testing when there is evidence of impairment and is measured at cost less any accumulated impairment losses. At each balance sheet date, the Group conducts an analysis to assess whether the carrying amount of goodwill is recoverable.

- the amount of € 428 thousand comes from the acquisition of the remaining 50% of the 29/6/2007 after the absorption of the subsidiary "SPACEPHONE SA".
- the amount of € 169 thousand comes from the acquisition of 100% of our 15/10/2012 subsidiary "SPACE TECHNICAL CONSTRUCTION BUILDING SA"

Goodwill is allocated to cash-generating units for impairment testing purposes. Allocation is made to cash-generating units that are expected to benefit from the acquisition from which goodwill originated. The recoverable value of a cash-generating unit is determined using its value in use calculation. This calculation uses cash flow forecasts derived from budgets that have been approved by the management.

Below are the main assumptions adopted by Management in cases where there was a need for impairment, taking into account the specific characteristics:
Discount rate of discount at present value: 3.9%, Growth rate in perpetuity: 2%

An impairment decision is made after an examination of the change in the underlying assumptions and if it is deemed to be material and more than 10% of the carrying amount.

The aforementioned values have been subject to an impairment test the result of which was charged in the results of the period of € 250 thousand and remained as an asset of the company and the Group.

4.6.12 Liens and pledges

There are no other real liens on non-current assets or property, except, at the Company level, the underwriting, amounting to € 1.200 thousand, on the property situated at 6 Loch. Dedousi St., Cholargos, Athens, and the underwriting amounting to € 4.000 thousand, on the property situated at 302 Ave. Mesogeion, Cholargos, Athens and, at the Group level, the underwriting, amounting to € 7.540 thousand, on the property situated at 312 Ave. Mesogeion, Cholargos, Athens, the underwriting, amounting to € 1.200 thousand, on the property situated at St. Gianniton-I.Kariofylli & Patr. Kyrrilou, Thessaloniki.

4.6.13 Subsidiaries, Associates And Joint Ventures

The company's shareholding in subsidiaries, associates and investments as at 31.12.2019, is disclosed at their acquisition cost less provisions for impairment.

Corporate name	Ownership percentage		Ownership percentage		Consolidation method
	Direct	Indirect	Direct	Indirect	
Subsidiaries	**31.12.2019**		**31.12.2018**		
SPACE HELLAS (CYPRUS) LTD	100%	-	100%	-	Full Consolidation
SPACE HELLAS SYSTEM INTEGRATOR S.R.L.	-	99,45%	-	99,45%	Full Consolidation
SPACE HELLAS Doo Beograd-Stari Grad	-	100%	-	100%	Full Consolidation
SPACE HELLAS (MALTA) LTD	-	99,98%	-	99,98%	Full Consolidation
SPACE ARAB LEVANT TECHOLOGIES COMPANY	-	100%	-	100%	Full Consolidation
Associates					
Web-IQ B.V.	32,28%	-	17,21%	-	Equity method
Other investments					
MOBICS S.A.	18,10%	-	18,10%	-	-

<u>Subsidiaries' activities</u>

- Space Hellas (Cyprus) Limited was incorporated in Cyprus on September 8, 2005 as a private limited company in accordance with the provisions of the Cyprus Companies Law, Cap. 113. The main activities of the company are the provision of telecommunications services and investments property.

- SPACE HELLAS SYSTEM INTEGRATOR S.R.L. was founded in 2010 and owned by the subsidiary SPACE HELLAS CYPRUS Ltd. The company was established to serve the group's strategy for penetrating new markets. The main activities of the company are the provision of telecommunications services, security systems, information technology, trade and investment property.

- SPACE HELLAS (MALTA) LTD was founded at the end of 2012 and owned by the subsidiary SPACE HELLAS CYPRUS Ltd. The company was established to serve the group's strategy for penetrating new markets. Because of the conditions and commercial practices prevailing in the telecommunications sector in Malta, it was decided to operate through a subsidiary. This new company has installed telecommunications hub and node services offered in the local market.

- SPACE HELLAS Doo Beograd-Stari Grad was founded at the end of 2012 and owned by the subsidiary SPACE HELLAS CYPRUS Ltd. The company was established to serve the group's strategy for penetrating new markets. Because of the conditions and commercial practices prevailing in the telecommunications sector in Serbia, it was decided to operate through a subsidiary. This new company has installed telecommunications hub and node services offered in the local market.

- SPACE ARAB LEVANT TECHNOLOGIES COMPANY was founded at the end of 2017 and owned by the subsidiary SPACE HELLAS CYPRUS Ltd. The share capital consists in 50 thousand shares of 1JD each. The company was established to serve the group's strategy for penetrating new markets. Because of the conditions and commercial practices prevailing in the telecommunications sector in Jordan, it was decided to operate through a subsidiary. This new company has installed telecommunications hub and node services offered in the local market.

- Web-IQ B.V. is a Dutch technology company active in the international Web-Intelligence specialized applications market and Big Data analytics for businesses and organizations. Web-IQ is actively working with many security authorities around the world to combat online child abuse. The total share capital of Web-IQ B.V after the share capital increase that took place on 13.6.2019, consists of 284.137 shares. The second phase of Space Hellas' investment in Web-IQ B.V. based in the Netherlands, has been completed., raising its stake from 17.21% to 32.28% for the amount of € 1.1m, through a share capital increase of Web-IQ BV, following the fulfillment of contract that was signed, providing the option for this additional percentage acquisition.

- Mobics Telecommunication and Consulting Services S.A. was founded in 2006 as a spin-off of the National University of Athens (Department of Informatics and Telecommunications), based in Athens. The Mobics specializes in the design, development and provision of value added services for mobile and pervasive computing environments and the Internet, focusing on geographical and information and generally aware framework (context-aware services).

4.6.14 Other Long Term Receivables

	Group		Company	
Amounts in € thousand	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Rental guarantees	31	31	31	31
Long term receivables from related paties	0	300	0	300
Total Other Long term receivables	**31**	**331**	**31**	**331**

Long-term claims against affiliates (Web-IQ B.V) decreased by € 300 thousand as part of the implementation of the agreement to increase SPACE HELLAS's stake in the company from 17.21% to 32.28%.

4.6.15 Inventories

The Group takes all necessary measures (insurance, safekeeping) to minimize the risk and possible losses due to loss of inventories from natural disaster theft, etc. Management also continuously reviews the net realizable value of inventories and makes appropriate provisions for impairment of obsolete and slow moving stocks.

For the current year, the value of obsolete and slow moving stocks amounts to € 43 thousand, charged in the results of the Group and the Company. The amount of inventory reflects the company's strategy to achieve the goal of proper warehouse management without degrading the customer's trustworthy service.

	Group		Company	
Amounts in Euro thousands	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Goods	4.700	3.106	4.700	3.106
Materials	1.062	736	1.062	736
Consumables	863	574	863	574
Total inventories	**6.625**	**4.416**	**6.625**	**4.416**

4.6.16 Trade Receivables

Trade receivables are recognized at their acquisition cost (invoice value) less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all of the amounts due according to the original terms of receivables. The provisions formed are then used for the cancellation of the receivables of doubtful liquidation.

	Group		Company	
Amounts in Euro thousands	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Trade receivables	20.199	21.407	20.116	21.175
Less: Provisions for doubtful liquidation	5.408	5.172	5.408	5.172
Less: cummulative effect IFRS 9	69	72	69	70
Total trade receivables	**14.722**	**16.163**	**14.639**	**15.933**

The provision for doubtful liquidation has been formed taking into account the maturity of the receivables in line with the credit policy, as well as historical data and information on clients' solvency

	Group		Company	
Amounts in Euro thousands	2019	2018	2019	2018
Opening balance	5.172	4.945	5.172	4.945
Additions	236	227	236	227
Write offs	0	0	0	0
Total charge	236	227	236	227
Closing balance	**5.408**	**5.172**	**5.408**	**5.172**

Cumulative effect of IFRS 9:

	Group		Company	
Amounts in Euro thousands	2019	2018	2019	2018
Opening balance	72	43	70	42
Additions	-3	29	-1	28
Write offs	0	0	0	0
Total charge	-3	29	-1	28
Closing balance	**69**	**72**	**69**	**70**

The trade receivables' fair value is approximately equal to the book value. The trade receivables after impairment, for both the Group and the company, are fully collectable.

In the context of working capital management, the Group uses factoring services for the earliest collection of receivables from its customers in Greece.

The trade receivables accounts are not bearing any interest. And are usually arranged as following: Group 1 - 180 Days, Company 1 - 180 days. The collection of receivables related to projects depends on the completion stage.

	Group		Company	
Amounts in Euro thousands	31.12.2019	31.12.2018	31.12.2019	31.12.2018
1 - 90 days	11.785	11.814	11.728	11.717
91 - 180 days	1.335	1.610	1.309	1.490
181 - 360 days	637	757	637	744
> 360 days	965	1.982	965	1.982
Total trade receivables	**14.722**	**16.163**	**14.639**	**15.933**

Ageing analysis for trade receivables**:**

	Group		Company	
Amounts in Euro thousands	31.12.2019	31.12.2018	31.12.2019	31.12.2018
1 - 90 days	21	6	174	6
91 - 180 days	0	8	0	8
181 - 360 days	0	0	0	0
> 360 days	0	0	0	0
Total trade receivables	**21**	**14**	**174**	**14**

The specific conditions we are experiencing clearly affect, at least in the short term, the economic environment and lead us to assess whether we have a significant increase in credit risk (SICR). The nature of the effects of the economic shock is considered temporary and, combined with the impact of government support and relief measures, lead us to conclude that these counterbalanced forces are offset.

Using past information and more specifically the crisis of 2015 in our country we can say that the increase in credit risk did not significantly affect our company as credit risk management policies worked satisfactorily.

The management estimates that at this time, there is no need to change the data affecting IFRS 9 and consequently the increase in credit risk.

4.6.17 Other Receivables

	Group		Company	
Amounts in Euro thousands	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Cheques receivable	46	567	46	567
Cheques overdue*	1.709	1.709	1.709	1.709
Deducted Taxes & other receivables	972	358	805	298
Salary prepayments	7	6	7	6
Advances to account for	10	6	10	6
Amounts owed by affiliated undertakings	0	18	0	117
Deferred charges	2.341	1.869	2.326	1.869
Income earned	1.069	869	1.069	869
Other receivables**	130	515	63	454
Total other receivables	**6.284**	**5.917**	**6.035**	**5.895**
Less: provisions for doubtful liquidation	1.738	1.738	1.738	1.738
Total other receivables	**4.546**	**4.179**	**4.297**	**4.157**

** For the account in the "Checks overdue" an equivalent provision of default has been made.*
*** For the amount appearing in the Group's Other Receivables, "Other Debtors" amounting to € 130 thousand, mainly concerns Other receivables, a provision of € 29 thousand has been made.*

"Deferred charges " comprise the following:

- Approximately 98% of the costs are related to foreign firm contractual obligation to cover maintenance contracts of our customers, where such obligations are not in line with the customers' demands having different maturation beyond the year and
- Approximately 2% of the costs are operating costs (rent, insurance, etc.).

Expenses are recognized on an accrual basis.
The trade receivables' fair value is approximately equal to the book value. The trade receivables after impairment, for both the Group and the company, are fully collectable.

4.6.18 Prepayments

	Group		Company	
Amounts in Euro thousands	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Orders placed abroad	883	208	883	208
Prepayments to other creditors	2.560	187	2.540	174
Total prepayments	**3.443**	**395**	**3.423**	**382**

4.6.19 Cash And Cash Equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less:

	Group		Company	
Amounts in Euro thousands	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Cash on hand	35	28	35	28
Short term Bank deposits	17.047	13.130	16.246	12.366
Total Cash and Cash equivalents	**17.082**	**13.158**	**16.281**	**12.394**

The increase in cash and cash equivalents is mainly due to the improvement of operating cash flows.

4.6.20 Share Capital

The company’s shares are ordinary registerd shares and have been listed in ASE since 29.09.2000
No changes have occurred during the current period.

Number of shares and nominal value	31.12.2019	31.12.2018
Paid up capital	6.973.052,40	6.973.052,40
Number of ordinary shares	6.456.530	6.456.530
Nominal value each share	1,08 €	1,08 €

Earnings per share were calculated based on the weighted number of shares, that is 6.456.530.

4.6.21 Reserves

	Group					
Amounts in € thousand	Share premium	Fair value reserves	Legal Reserve	Special reserce	Currency exchange	Total
Balance at 1 January 2018	**53**	**2.421**	**489**	**492**	**-66**	**3.389**
Revaluation of buldings	0	-345	0	0	0	-345
Tax from Revaluation of buldings	0	100	0	0	0	100
Currency exchange	0	0	0	0	9	9
Balance at 31 December 2018	**53**	**2.176**	**489**	**492**	**-57**	**3.153**
Balance at 1 January 2019	**53**	**2.176**	**489**	**492**	**-57**	**3.153**
Legal reseve formation	0	0	62	0	0	**62**
Effect on deffered tax due to change of income tax rate	0	153	0	0	0	**153**
Currency exchange	0	0	0	0	-6	**-6**
Balance at 31 December 2019	**53**	**2.329**	**551**	**492**	**-63**	**3.362**

Amounts in € thousand	Company				
	Share premium	Fair value reserves	Legal Reserve	Special reserce	Total
Balance at 1 January 2018	**53**	**2.421**	**486**	**492**	**3.452**
Revaluation of buldings	0	-345	0	0	-345
Tax from Revaluation of buldings	0	100	0	0	100
Balance at 31 December 2018	**53**	**2.176**	**486**	**492**	**3.207**
Balance at 1 January 2019	**53**	**2.176**	**486**	**492**	**3.207**
Legal reseve formation	0	0	62	0	**62**
Effect on deffered tax due to change of income tax rate	0	153	0	0	**153**
Balance at 31 December 2019	**53**	**2.329**	**548**	**492**	**3.422**

4.6.22 LONG TERM LOANS

The Group's long term loans amounts to € 15.307. The loans concern:

- The mortgage loan ending at 2021, of initial amount € 1.500 thousand, and after interest and principal payments amounting to € 250 thousand.
- The mortgage loan ending at 2021, of initial amount € 1.000 thousand, and after interest and principal payments amounting to € 125 thousand.
- The mortgage loan ending at 2021, of initial amount € 500 thousand, and after interest and principal payments amounting to € 125 thousand.
- The mortgage loan ending at 2024, of initial amount € 2.700 thousand, and after interest and principal payments amounting to € 1.534 thousand.
- The mortgage loan ending at 2026, of initial amount € 5.976 thousand, and after interest and principal payments amounting to € 3.010 thousand.
- The mortgage loan ending at 2022, of initial amount € 1.500 thousand, and after interest and principal payments amounting to € 562 thousand.
- The mortgage loan ending at 2022, of initial amount € 2.000 thousand, and after interest and principal payments amounting to € 875 thousand.
- The mortgage loan ending at 2022, of initial amount € 1.000 thousand, and after interest and principal payments amounting to € 357 thousand.
- The mortgage loan ending at 2022, of initial amount € 1.000 thousand, and after interest and principal payments amounting to € 500 thousand.
- The mortgage loan ending at 2022, of initial amount € 2.000 thousand, and after interest and principal payments amounting to € 2.000 thousand.
- The mortgage loan ending at 2023, of initial amount € 2.000 thousand, and after interest and principal payments amounting to € 1.830 thousand.
- The mortgage loan ending at 2023, of initial amount € 2.500 thousand, and after interest and principal payments amounting to € 1.786 thousand.
- The mortgage loan ending at 2023, of initial amount € 500 thousand, and after interest and principal payments amounting to € 344 thousand.
- The mortgage loan ending at 2024, of initial amount € 2.000 thousand, and after interest and principal payments amounting to € 2.000 thousand.

The fair value of the short and long term borrowings approximates the book value. The rate used in the company's and the Group's borrowings is floating and renegotiable within a six-month period. The average interest rate applied is 4,40%.

4.6.23 OTHER LONG TERM LIABILITES

Liabilities are characterized as long term when they due over 12 months otherwise there are consider as short term liabilities.

	Group		Company	
Amounts in Euro thousands	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Guarantees received	6	6	6	6
Total Other long term liabilities	**6**	**6**	**6**	**6**

4.6.24 FAIR VALUE MEASUREMENT

The financial assets measured by the Group and the Company, at the fair value as of the balance sheet date are classified under the following levels, in accordance with the method used for determining their fair value:

Level 1: for assets traded in an active market and whose fair value is determined by the market prices (unadjusted) of similar assets.

Level 2: for assets whose fair value is determined by factors related to market data, either directly (prices) or indirectly (prices derivatives).

Level 3: for assets whose fair value is not determined by observations from the market, but is mainly based on internal estimates.

During the period, there were no transfers between Levels 1 and 2, nor transfers within and outside Level 3 for the measurement of fair value. The amounts presented in the Financial Statements for cash, trade and other receivables, trade and other short-term liabilities and Bank short-term liabilities approximate their respective fair values due to their short-term maturity.

The method used for the fair value measurement considers all possible parameters in order to approximate the fair value and the financial assets are classified at level 3 except for banking loans classified a level 2.

4.6.25 PERSONELL EMPLOYEED - EMPLOYEE BENEFITS

The personnel employed at 31.12.2019 for the Group have reached 372 persons and for the company has reached 370 persons while as at 31.12.2018 amounted to 345 and 344 respectively.

4.6.25.1 Provisions for employees benefits

The Group's management engaged an independent actuary to conduct a study to investigate and calculate the actuarial amounts, based on the specifications set by International Accounting Standards (IAS 19), which prescribe for their mandatory disclosure in the balance sheet and statement of comprehensive income. This actuarial valuation, has taken into account all economic and demographic parameters related to the Group's employees.

	Group		Company	
Amounts in Euro thousands	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Present value of unfunded obligations	855	804	855	804
Not recognized actuarial gains\ losses	0	0	0	0
Reserves to be formed	**855**	**804**	**855**	**804**
Provisions for employers benefits recognized in the income statement				
Current service cost	56	56	56	56
Cost of interest	11	9	11	9
Actuarial loss / (gain)	0	0	0	0
Past service cost	7	5	7	5
Net periodic cost	**74**	**70**	**74**	**70**
Liability recognized in the Statement of financial position				
Net liability – opening balance as at 01.01	804	739	804	739
Benefits paid	-24	-47	-24	-47
Cost recognized in the income statement	74	70	74	70
Gains/Losses recognized in Equity	31	42	31	42
Net liability	**885**	**804**	**885**	**804**
Present value of the liability				
Net liability – opening balance as at 01.01	804	739	804	739
Current service cost	56	56	56	56
Cost of interest	11	9	11	9
Past service cost	7	5	7	5
Benefits paid	-24	-47	-24	-47
Actuarial loss / (gain)	0	0	0	0
Gains/Losses recognized in Equity	31	42	31	42
Present value of the liability	**885**	**804**	**885**	**804**

The assumptions used are the following:

Actuarial assumptions		
1.	Discount interest rate	1,3% as at 31/12/2019
2.	Average annual long term inflation rate	2% (according to EU, Lisbon convention).
3.	Average annual long term salary growth	2,00%
4.	Valuation date	31.12.2019
5.	Regular retirement age :	According to the social security fund of each employee
6.	General assumption fro actuarial purpose:	The going concern principle according to IAS (IAS1 para 23)
7.	Valuation method :	Projected Unit Credit Method (IAS19)

4.6.26 DEFFERED INCOME TAX

Deferred income taxes are calculated in full on temporary differences under the liability method using the principal tax rates that apply to the countries where the companies of the group operate. The calculation of the deferred taxes both for the Group and the Company are reviewed each year, as the balance on the balance sheet to reflect the effective tax rates.

	Group - Company			
Amounts in € thousand	**31.12.2018**	**Amounts recognised through income statement**	**Amounts recognised through equity**	**31.12.2019**
Deferred tax liabilities				
Depreciation rate difference effect	-597	24	0	-573
Fair value adjustments Property, plant and equipment	-889	0	153	-736
Total Deferred tax liabilities	**-1.486**	**24**	**153**	**-1.309**
Deferred tax assets				
Provisions for Trade and other receivables	456	-41	0	415
Post-employment and termination benefits	234	-28	7	213
Impairment of Receivables	43	-7	0	36
Impairment of Inventories	0	5	0	5
Tax deductible previews years' losses	6	-6	0	0
Share premium capitalization expenses	323	-323	0	0
Total Deferred tax assets	**1.061**	**-400**	**7**	**669**
Total Deferred tax	**-425**	**-376**	**160**	**-640**

IFRS 16 was applied recognizing the overall impact on the 'Retained Earnings Balance Sheet' account, without adjusting the comparative figures for 2018 (note 4.5.3.1).

Deferred tax assets are offset against deferred tax liabilities when there is a legal right to set off and both are subject to the same tax authority.

The basic tax rate for Public Limited Companies in Greece for the fiscal year ended December 31, 2019, according to Law 4646/2019, amounts to 24% compared to 29% of the previous fiscal year.

4.6.27 TRADE AND OTHER PAYABLES

Liabilities are characterized as long term when their due is less than 12 months otherwise considered as long term liabilities.

Amounts in € thousand	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Trade payables	19.244	14.542	19.068	14.253
Checks payables	971	824	971	824
Customer down payments/advances	322	909	322	909
Social security	591	548	591	548
Wages and salaries payable	0	66	0	66
Short term liabilities to factors	270	533	270	533
Other payables	144	41	142	40
Amounts due to related parties	0	0	0	0
Next year's Income	6	7	6	7
Accrued expenses	214	139	169	118
Purchases under arraignment	224	400	224	400
Total Trade and other payables	**21.986**	**18.009**	**21.763**	**17.698**

4.6.28 Provisions

The Group has formed provisions for doubtful trade receivables for the amount of € 5.477 thousand, for doubtful sundry debtors for the amount of € 1.738 thousand. The provisions are disclosed compensated among the trade and other receivables and the inventories respectively.

Amounts in € thousand	Group - Company				
	31.12.2018	New Provisions	Used Provisions	Decreases	31.12.2019
Provisions for tax unaudited years	61	0	0	0	61
Provisions for employers benefits	804	105	24	0	885
Other provisions	0	0	0	0	0
Total	**865**	**105**	**24**	**0**	**946**

The Company, using tax audit data from past tax audited fiscal years, reserves an amount of € 61 thousand to cover the possibility of additional taxes being imposed in the event of an audit by the tax authorities.

4.6.29 Disputed claims

There are no disputed claims that might have significant impact on the financial position both of the Group and the Company.

4.6.30 Undaudited Fiscal Years by the Tax Authorities

Company	Tax Unaudited Years
SPACE HELLAS (CYPRUS) LTD	2011 – 2019
SPACE HELLAS Doo Beograd-Stari Grad	2012 - 2019
SPACE HELLAS (MALTA) LTD	2012 - 2019
SPACE HELLAS INTEGRATOR SRL	2010 - 2019

For the unaudited tax years of the Group companies, there is the possibility of imposing additional taxes and surcharges at the time of their examination and finalization by the competent tax authorities. The company has formed a cumulative provision of € 61 thousand in order to cover the possibility of imposing additional taxes in the event of an audit by the tax authorities. For the other Group companies, no provision has been made for unaudited tax years as it is estimated that the charge for the imposition of additional taxes will be insignificant.

It is noted that, for the companies that are subject to the Greek tax jurisdiction, the tax years 2013 and previous, have been permanently barred.

There is no statutory tax audit system for subsidiaries based abroad. Audits are carried out exceptionally where appropriate by the tax authorities of each country on the basis of specific criteria. Tax liabilities resulting from the submission of the annual tax return remain under audit of the tax authorities for a certain period of time, in accordance with the tax laws of each country.

From the fiscal year 2011 to the fiscal year 2015, the Greek corporations and the Limited Liability Companies, whose annual financial statements are compulsorily audited, were obliged to receive the "Annual Certificate" provided for in §5 of article 82 of Law 2238 / 1994 and article 65A of N4174 / 2014, issued following a tax audit carried out by the statutory auditor or an audit firm that audits the annual financial statements. From the year 2016 onwards, the tax certificate is optional. Upon completion of the tax audit, the Statutory Auditor or Audit Office issues to the company a "Tax Compliance Report" and the Auditor or audit firm then submits it electronically to the Ministry of Finance, based on POL 1124/2015, as amended by the POL 1108/2017 by the tenth day of the tenth month following the end of the fiscal year.

For the Company and its Greek subsidiaries, and for the years 2011 to 2018, this audit has been completed with the issuance of the relevant Tax Compliance Reports without reservation.

There is ongoing tax audit of the company for the year 2019 by statutory auditors, from which no significant additional charges are expected to arise.

The Group forms a provision when necessary, by case and by company, against possible additional taxes that may be imposed by the tax authorities.

Management estimates that no significant tax liabilities will arise other than those reflected in the financial statements.

4.6.31 CONTIGENT EVENTS

4.6.31.1 Commitments -Guarantees

The Group has contingent liabilities in respect of banks, other guarantees and other matters arising in the ordinary course of business. No substantial charges are expected to arise from contingent liabilities. No additional payments are expected after the date of preparation of these financial statements.

The contingent liabilities for letters of guarantee for the Company and the Group in the ordinary course of business are:

	Group		Company	
Amounts in € thousand	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Guarantee letters to secure good performance of contract terms	5.886	3.424	5.886	3.424
Total Contingent Liabilities	**5.886**	**3.424**	**5.886**	**3.424**

As at 31.12.2019 and 31.12.2018 there were no outstanding letters of guarantee issued in favour of subsidiaries

4.6.31.2 Excess clause provisions and Disputed claims

There are no cases (note. 4.6.29) that might have significant impact on the financial position both of the Group and the Company.

4.6.31.3 Other contigent liabilities

The tax framework and tax practices in Greece, which determine the tax base for the transactions of Group companies, may give rise to uncertainties inherent in their complexity and the fact that they are subject to changes and alternative interpretations by the competent authorities at different times. Therefore, there may be categories of costs or handling of various issues for which a company may have evaluate on a different basis from that applied during the preparation of the tax returns or the preparation of the financial statements. It is customary for tax inspections to be carried out by Tax Authorities, on average 5-7 years after filing the tax return. All of this leads to inherent difficulties in identifying and accounting for tax liabilities. As a result, the management aims to define its policy based on the legislation available at the time of accounting for a transaction, by obtaining specialized legal and tax advice.

For the unaudited tax years of the Group companies as mentioned in note 4.6.28, there is the possibility of imposing additional taxes and surcharges at the time of their examination and finalization by the competent tax authorities. The company has formed a cumulative provision of € 61 thousand in order to cover the possibility of imposing additional taxes in the event of an audit by the tax authorities. For the other Group companies, no provision has been made for unaudited tax years as it is estimated that the charge for the imposition of additional taxes will be insignificant.

4.6.31.4 Capital comittements

As at 31.12.2018 there were no capital commitments for the Group and the Company.

4.6.32 Cash Flows

	Group		Company	
Amount ins € thousand	01.01-31.12.2019	01.01-31.12.2018	01.01-31.12.2019	01.01-31.12.2018
Total cash inflow/(outflow) from operating activities	4.855	3.811	4.219	2.372
Total cash inflow/(outflow) from investing activities	-3.784	-1.409	-3.197	-82
Total cash inflow/(outflow) from financing activities	2.853	3.062	2.865	3.062

Cash flow from operating activities, is positive amounting to € 4.855 thousand. This result is reaffirming the Group's capability of generating cash from turnover.

Cash flow from investing activities is negative amounting to € -3.784 thousand attributable to the execution of the investment plans.

The cash flow from financing activities is positive amounting to € 2.853 thousand. This result provides a confirmation of the Group's ease of access to financial institutions for the financing of its activities and the trust it enjoys in its strategic choices.

4.6.33 Contingent Events - Transactions Between The Company And Related Parties (IAS 24) from 01-01-2019 to 31-12-2019

Each affiliated company follows the rules regarding transparency, independent financial management, accuracy and correctness of its transactions, as required by law. Transactions between the Company and its affiliated companies are made at a price or exchange, which is proportional to whether the transaction was made with any third party, natural or legal person, under the conditions prevailing in the market at transaction time.

The transactions below relate to transactions with related parties as defined in IAS 24, cumulatively from the beginning of the financial year to the end of the period, as well as the balances of the receivables and liabilities of the company and the group at the end of the current fiscal year, have arisen from the specific transactions of the related parties.

The sales to and purchases from related parties, during 2019, are made at normal market prices.

There are no transactions of unusual nature or content with significant impact on the Group or the subsidiaries or related parties. All of the transactions with related parties are free of any special condition or clause.

The tables below summarize the transactions and the account balances with related parties carried out during year 2019 and 2018 respectively.

Amounts in € thousand	Revenue from dividends		Sales		Income from investment property		Total income-Parent company		Total income-Group	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
SPACE HELLAS (CYPRUS) LTD	449	926	146	1	-	-	595	927	-	-
SPACE HELLAS (MALTA) LTD	-	-	2	2	-	-	2	2	-	-
SPACE HELLAS D.o.o. BEORGRAD	-	-	3	3	-	-	3	3	-	-
Subsidiaries	**449**	**926**	**151**	**6**	**0**	**0**	**600**	**932**	**0**	**0**
Web-IQ B.V.	-	-	131	46	-	-	131	46	131	46
Aassociates	**0**	**0**	**131**	**46**	**0**	**0**	**131**	**46**	**131**	**46**
MOBICS S.A.	-	-	0	0	-	-	0	0	0	0
SPACE CONSULTING S.A.	-	-	-	-	1	1	1	1	1	1
Other associates	**0**	**0**	**0**	**0**	**1**	**1**	**1**	**1**	**1**	**1**
	449	**926**	**282**	**52**	**1**	**1**	**732**	**979**	**132**	**47**

Amounts in € thousand	**Total expenses Group and Company**	
	2019	**2018**
SPACE HELLAS (CYPRUS) LTD	-	-
SPACE HELLAS (MALTA) LTD	-	-
SPACE HELLAS D.o.o. BEORGRAD	-	-
Subsidiaries	**0**	**0**
Web-IQ B.V.	54	40
Associates	**54**	**40**
MOBICS S.A.	11	-
SPACE CONSULTING S.A.	-	-
Other associates	**11**	**0**
	65	**40**

Amounts in € thousand	**Total Receivables - Company**		**Total Receivables Group**		**Total Liabilities Group and Company**	
	2019	**2018**	**2018**	**2018**	**2019**	**2018**
SPACE HELLAS (CYPRUS) LTD	146	99	-	-	-	-
SPACE HELLAS (MALTA) LTD	2	2	-	-	-	-
SPACE HELLAS D.o.o. BEORGRAD	3	3	-	-	-	-
Subsidiaries	**151**	**104**	**0**	**0**	**0**	**0**
Web-IQ B.V.	22	309	22	309	40	0
Associates	**22**	**309**	**22**	**309**	**40**	**0**
MOBICS S.A.	-	-	-	-	-	3
SPACE CONSULTING S.A.	0	10	0	10	-	2
Other associates	**0**	**10**	**0**	**10**	**0**	**5**
	173	**423**	**22**	**319**	**40**	**5**

- Both the services from and towards the related parties as well as the sales and purchase of goods are contracted with the same trade terms and conditions as for the non-related parties.
- From the above table the transactions between the Company and related parties have been eliminated from the consolidated financial statements.

Table of Key management compensation:

Amounts in € thousand	Group		Company	
	2019	2018	2019	2018
Salaries and other employee benefits	1.242	1.264	1.242	1.264
Receivables from executives and members of the Board	2	2	2	2
Payables to executives and member of the Board	33	5	33	5

- No loans have been given to members of the Board or other executive members nor to their family members.

Tables of Guarantees to third parties:

Amounts in € thousand	Group		Company	
	2019	2018	2019	2018
Guarantees to third parties on behalf of subsidiaries and joint ventures	33	41	33	41
Used guarantees to third parties on behalf of subsidiaries	0	0	0	0
Bank guarantee letters	33	41	33	41

- The company has granted guarantees to banks in favor of the subsidiary SPACE HELLAS (CYPRUS) LTD., amounting to € 33 thousand.

4.7 ALTERNATIVE PERFORMANCE MEASURES (APMs)

The European Securities and Markets Authority (ESMA / 2015 / 1415el) published the final guidelines on Alternative Performance Measures (APMAs) applicable from 3 July 2016 to companies listed in organized exchange systems. ALPs are disclosed by publishers when publishing regulated information and are intended to enhance transparency and promote the usefulness and fair and full information of the investing public.

The Alternative Performance Measurement Score (ALP) is an adjusted economic measurement of historical or future economic performance, financial position or cash flow, other than the economic measurement set out in the applicable financial reporting framework. That is to say, ALP does not rely exclusively on the standards of financial statements, but provides substantial additional information, excluding elements that may differ from operating results or cash flows. Transactions with non-functional or non-cash valuation with a significant effect on the Statement of Comprehensive Income are considered as factors influencing the adjustment of the indicators to EMMA. These non-recurring items, in most cases, could arise, among others, from:

- impairment of assets
- Restructuring measures
- consolidation measures
- sale of assets or concessions
- changes in legislation, damages for damages or legal claims.

ALPs should always be taken into account in conjunction with the financial results prepared under IFRSs and should under no circumstances be considered as replacing them. The Group uses the adjusted indicators to better reflect the financial and operating performance that is related to the Group's activity as such in the reference year as well as the corresponding comparable period last year.

The definition, analysis and basis of calculation of the ALPs used by the Group is set out below.

Elements Affecting Adaptation

Figures influencing the adjustment of the indices used by the Group to extract the SNAUs according to the first half financial statements 2019 and the corresponding financial statements of the prior period are the provisions of doubtfulness.

The data that affect the adjustment of the indicators (SEMCs) on 31.12.2019 and 31.12.2018 are shown in the table below:

Amounts in € thousand	Group	
	31.12.2019	31.12.2018
Comprehensive Income Statement		
Provisions for impairment	233	256
Total	**233**	**256**

Adjusted EBITDA

Adjusted EBITDA is defined as the sum of Earnings Before Taxes, Financials, Investments and Depreciation, minus the items that affect the adjustment (payments of voluntary retirement plans, doubtful debts, reimbursement fees and non-recurring legal cases).

The definition, analysis and basis of calculation of the EMMA used by the Group is set out below:

EBITDA adjusted = EBITDA - Adjusting elements

	Group		
	31.12.2019	31.12.2018	Divergence
EBITDA	**6.283**	**5.942**	5,74%
Provisions for impairment	233	256	
EBITDA adjusted	**6.516**	**6.198**	5,13%
Divegence %	4%	4%	

The adjusted EBITDA of the current period increased by 4% compared to EBITDA, while compared to the previews period the adjusted EBITDA is increased by 5,13%.

Adjusted EBIT

Adjusted EBITDA is defined as the sum of Earnings Before Taxes, Financials and Investments results, minus the items that affect the adjustment (payments of voluntary retirement plans, doubtful debts, reimbursement fees and non-recurring legal cases).

EBIT adjusted = EBIT - Adjusting elements

Amounts in € thousand	Group		
	31.12.2019	31.12.2018	Divergence
EBIT	**4.471**	**4.720**	-5,28%
Provisions for impairment	233	256	
EBIT adjusted	**4.704**	**4.976**	-5,47%
Divergence %	5%	5%	

The adjusted EBIT of the current period is 5% higher than EBIT, while compared to the previews period the adjusted EBIT is increased by 5,47%

Adjusted Cash Flows After Investments

Adjusted cash flows after Investments are defined as the sum of net cash inflows from operating activities less the components that affect the adjustment (payments of voluntary retirement plans, doubtful debts, reimbursement costs and non-recurring legal cases) and by suggesting net cash flows from investing activities, as shown in the table below.

Cash Flows After Investments adjusted = Net operating Cash flow - Adjusting elements - Net Cash flow from investing activity

Amounts in € thousand	Group		
	31.12.2019	31.12.2018	Divergence
Net Cash flow from operating activities	4.855	3.811	27,39%
Net Cash flow from investing activity	-3.784	-1.409	168,56%
Cash Flows After Investments	**1.071**	**2.402**	-55,41%
Provisions for impairment	233	256	-8,98%
Cash Flows After Investments adjusted	**1.304**	**2.658**	-50,94%
Divergence %	22%	11%	

Adjusted Cash Flows from Investments in the current year are increased by 22% compared to Cash Flows after investments, while compared to the previous year, adjusted Cash Flows after investments decreased by 50,94% due to an increase in investment activities of the Group.

Adjusted Net Borrowing
Adjusted net borrowing is defined as net borrowing, which includes other financial assets as these are relatively readily convertible assets. The calculations are presented in the table below.

Adjusted Net Borrowing = Net Borrowing - Other financial Assets

Amounts in € thousand	Group		
	31.12.2019	31.12.2018	Divergence
Long term loans	15.307	12.674	20,77%
Shor term loans	9.682	8.606	12,50%
Cash and Cash equivalents	-17.082	-13.158	29,82%
Net Borrowing	**7.907**	**8.122**	-2,65%
Other financial Assets	-13	-13	0,00%
Adjusted Net Borrowing	**7.894**	**8.109**	-2,65%
Divergence %	-0,16%	-0,16%	

In both the current and the previews period, the adjusted net borrowing is almost identical to the Net Borrowing.

4.8 SIGNIFICANT POST-BALANCE SHEET EVENTS

In February 2020, SPACE HELLAS completed the upgrade of the Information Technology Management Services System to meet the requirements of the new 2018 version of the ISO 20000-1 Standard. The revised System was successfully inspected - in the presence of NSS inspectors - on 6-3-2020 and the issuance of the ISO 20000-1: 2018 certificate is expected within April 2020.

At the same time, on 6-3-2020, the Business Continuity Management System, which was developed in accordance with the requirements of the international standard ISO 22301: 2019, was successfully inspected - in the presence of the NSS inspectors. The certificate will be sent to SPACE HELLAS within April 2020.

Our company was pleased to announce the scholarships, based on the announced honorary scholarship "Dimitris Manolopoulos" for the academic year 2019-2020. in the presence of the Board of Directors of the company. The awarding of the scholarships took place at the company's headquarters in the "Dimitris Manolopoulos" room, on Friday, February 14, 2020, in the presence of the company's Board of Directors.

In early March, measures to curb the spread of COVID-19 and protect against pandemics began to be imposed in the country. In this climate and in view of the publication of the financial statements, EAKAA / ESMA, on March 12, issued a Recommendation calling on all participants in the financial markets to have emergency plans ready to ensure operational continuity. publish all possible information on the impact of COVID-19 on its fundamentals and prospects, and include relevant notices on financial statements.

Given the spread of the coronavirus, it is difficult to predict the range of possible outcomes for the global economy at this point. The effects can range from successful virus restriction and small short-term effects to a prolonged effect that can lead to a possible recession. In addition, governments are pursuing political and fiscal actions aimed at mitigating the potential negative economic impact.
However, the future impact must be assessed in the light of the accounting continuity used to prepare these Financial Statements. Regarding the activities of the Group, the Management closely monitors the developments since the outbreak of the coronavirus, follows the guidance of the local health authorities and observes the requirements and actions applied by the authorities. The Group has implemented emergency plans to reduce the potential adverse effects on the Group's employees and businesses.

Following the clarifications set out in the above relevant paragraphs on the spread of the coronavirus, which is a non-adjusting event, there are no events other than the financial statements that concern either the Group or the company and in which a reference is required by the International Financial Reporting Standards.

5 FIGURES AND INFORMATION FROM 1ST JANUARY TO 31th DECEMBER 2019

SPACE HELLAS S.A.

General Commercial Registry Number: 375501000
312, Mesogion Ave., 15341 Ag. Paraskevi
Financial statement and information for the period 1 January 2019 to 31 December 2019

The following results and information, that arise from the financial statements, provide a general picture of the financial position and financial results of the SPACE HELLAS S.A.
Thus we suggest the reader, before entering into any sort of investment decision or other transaction with the company, to gain access to the company's web site, where the financial statements can be downloaded, as well as the Independent Auditor's Report.

Company Information

Prefecture	Ministry of Development, Department of Commerce
Company's web site	http://www.space.gr
Date of approval by the Board of Directors	31 March 2020 Board of Directors Decisions No 3.675
Certified Auditor Accountant	Andreas G. Pournos (S.O.E.L. Reg. No 35081)
Auditing Company	PKF Euroauditing S.A.
Type of Auditor's report	Without qualification

Board of Directors

Manolopoulos Spyridon	Chairman, executive member
Mertzanis Ioannis	CEO, executive member
Mpellos Christos	Vice President, non ececutive member
Doulaveris Ioannis	Executive member
Mpellos Panagiotis	Executive member
Paparizou Anastasia	Executive member
Lagogiannis Georgios	Non Executive member
Patsouras Athanasios	Indipendent - non executive member
Chatzistamatiou Theodoros	Indipendent - non executive member

1.1 STATEMENT OF FINANCIAL POSITION

(consolidated and non consolidated) Amounts in € thousand	GROUP 31.12.2019	GROUP 31.12.2018	COMPANY 31.12.2019	COMPANY 31.12.2018
ASSETS				
Property, plant and equipment	15.749	15.913	15.706	15.864
Rights of Use	1.353	0	1.341	0
Investment properties	0	0	0	0
Intangible assets	3.449	2.696	3.412	2.696
Other non current assets	2.158	1.335	2.169	1.369
Inventory	6.625	4.416	6.625	4.416
Receivables (trade debtors)	14.722	16.163	14.639	15.933
Other current assets	25.084	17.745	24.014	16.946
TOTAL ASSETS	**69.140**	**58.268**	**67.906**	**57.224**
EQUITY AND LIABILITIES				
Share capital	6.973	6.973	6.973	6.973
Other components of equity	9.416	8.164	8.418	7.443
Total equity attributable to owners of the parent (a)	**16.389**	**15.137**	**15.391**	**14.416**
Non controlling interests (b)	1	2	-	-
Total Equity (c) = (a)+(b)	**16.390**	**15.139**	**15.391**	**14.416**
Long term borrowings	15.307	12.674	15.307	12.674
Long term provisions / Non current liabilities	2.775	1.296	2.773	1.296
Short term borrowings	9.682	8.606	9.682	8.606
Other current liabilities	24.986	20.553	24.753	20.232
Total Liabilities (d)	**52.750**	**43.129**	**52.515**	**42.808**
TOTAL EQUITY AND LIABILITIES (c)+(d)	**69.140**	**58.268**	**67.906**	**57.224**

1.3 S

1.3 STATEMENT OF CHANGES IN EQUITY

(consolidated and non consolidated) Amounts in € thousand	GROUP 31.12.2019	GROUP 31.12.2018	COMPANY 31.12.2019	COMPANY 31.12.2018
Total equity in the beginning of the year (1.1.2019 and 1.1.2018 accordingly)	15.139	14.639	14.416	14.159
Total comprehensive income after taxes (continued and discontinued operations)	1.639	952	1.362	709
Increase / (Decrease) of Share Capital	0	0	0	0
Cancellation of own shares	0	0	0	0
Other Changes	0	0	0	0
Non controlling interests	-1	0	0	0
Dividends distributed	-387	-452	-387	-452
Total equity at the end of the year Total equity at the end of the period (31.12.2019 and 31.12.2018)	**16.390**	**15.139**	**15.391**	**14.416**

1.4 CASH FLOW STATEMENT FOR THE YEAR

(consolidated and non consolidated) Amounts in € thousand	GROUP 01.01-31.12.2019	GROUP 01.01-31.12.2018	COMPANY 01.01-31.12.2019	COMPANY 01.01-31.12.2018
Operating Activities :				
Profit before taxes (continued operations)	2.151	2.081	1.609	1.532
Plus/Less adjustments for :				
Depreciation	1.812	1.222	1.791	1.216
Impairment of tangible and intangible assets	0	595	0	595
Provisions	311	387	310	387
Foreign exchange differences	-199	296	-193	292
Net (profit)/Loss from investing activities	-32	14	-457	-918
Interest and other financial expenses	2.346	2.385	2.341	2.378
Plus or minus for Working Capital changes:				
Decrease/(increase) in Inventories	-2.209	-838	-2.209	-838
Decrease/(increase) in Receivables	-1.878	-2.084	-1.956	-2.361
(Decrease)/increase in Payables (excluding banks)	4.689	1.998	4.793	2.065
Less:				
Interest and other financial expenses paid	-1.816	-1.983	-1.810	-1.976
Taxes paid	-320	-262	0	0
Total cash inflow/(outflow) from operating activities (a)	**4.855**	**3.811**	**4.219**	**2.372**
Cash flow from Investing Activities				
Acquisition of subsidiaries, associated companies, joint ventures and other investments	-1.100	0	-1.100	0
Purchase of tangible and intangible assets	-2.726	-1.528	-2.686	-1.501
Proceeds from sale of tangible and intangible assets	42	15	42	15
Interest received	0	104	0	104
Dividends received	0	0	547	1.300
Total cash inflow/(outflow) from investing activities (b)	**-3.784**	**-1.409**	**-3.197**	**-82**
Cash flow from Financing Activities				
Proceeds from Borrowings	5.818	6.101	5.818	6.101
Payments of Borrowings	-2.109	-2.587	-2.109	-2.587
Payments of leases	-469	0	-457	0
Dividends paid to shareholders of the Company	-387	-452	-387	-452
Total cash inflow/(outflow) from financing activities (c)	**2.853**	**3.062**	**2.865**	**3.062**
Net increase/(decrease) in cash and cash equivalents (a)+(b)+(c)	3.924	5.464	3.887	5.352
Cash and cash equivalents at beginning of period	13.158	7.694	12.394	7.042
Cash and cash equivalents at end of period	**17.082**	**13.158**	**16.281**	**12.394**

1.2 STATEMENT OF COMPREHENSIVE INCOME

(consolidated and non consolidated) Amounts in € thousand	Group 01.01-31.12.2019	Group 01.01-31.12.2018	Company 01.01-31.12.2019	Company 01.01-31.12.2018
Turnover	72.250	66.112	69.602	62.819
Gross Profit	15.884	15.887	14.932	14.298
Profit before	4.471	4.720	3.498	3.238
Profit before taxes	**2.151**	**2.081**	**1.609**	**1.532**
Profit after taxes (A)	1.516	1.218	1.233	984
- *Owners of the parent*	1.516	1.218	1.233	984
- *Non controlling interests*	0	0	-	-
	1.516	1.218	1.233	984
Other comprehensive income after taxes (B)	123	-266	129	-275
Total comprehensive income after taxes (A)+(B)	1.639	952	1.362	709
- *Owners of the parent*	1.639	952	1.362	709
- *Non controlling interests*	0	0	-	-
Earnings (after taxes) per share - basic in €	0,2348	0,1886	0,1910	0,1524
Profit before taxes, financing and investing activity and depreciation	**6.283**	**5.942**	**5.289**	**4.454**

Additional information

1. The shares of the company were listed on the Athens Stock Exchange on 29-9-2000. The earnings per share were calculated based on the weighted average number of ordinary shares in issue amounting to 6.456.530.
2. The companies of the Group, the percentage ownership and the consolidation method for the ending period are disclosed in note 4.6.13 of the annual financial report of 2019.
3. The tax un-audited years of the Company and the Group are disclosed in note 4.6.30 of the annual financial report of 2019.
4. The company has formed a provison for the tax unaudited years, for the amount of 61 thousand, in order to cover the possibility of additional taxes (note 4.6.30). No other reserves are formed (note 4.6.28).
5. There are no other disputed or under arbitration cases of national or administrative courts that may have a material effect on the financial position of the Company.
6. There are no other real liens on non-current assets or property, except, at the Company level, the underwriting, amounting to € 1.200 thousand, on the property situated at 6 Loch. Dedousi St., Cholargos, Athens, and the underwriting amounting to € 4.000 thousand, on the property situated at 302 Ave. Mesogeion, Cholargos, Athens and, at the Group level, the underwriting, amounting to € 7.540 thousand, on the property situated at 312 Ave. Mesogeion, Cholargos, Athens, and the underwriting, amounting to € 1.200 thousand, on the property situated at St. Gianniton-I.Kariofylli & Patr. Kyrrilou, Thessaloniki.
7. The personnel employed at 31.12.2019 for the Group amounted to 372 persons and for the Company amounted to 370 while as at 31.12.2018 amounted to 345 and 344 respectively.
8. The same Accounting Policies have been followed as for the financial statements as at 31.12.2018 except for new standards and interpretations of mandatory application after 1st January 2019 (note 4.5.3.1).
9. Note 4.3 of the annual financial report of 2019 refers to the comprehensive income after taxes for the company and the Group.
10. Intercompany transactions for the period from 1 January 2019 to 31 December 2019 according to I.A.S. 24 are as follows:

	GROUP	COMPANY
a) Sales of goods and services	132	732
b) Purchases of goods and services	65	65
c) Receivables from related parties	22	173
d) Payables to related parties	40	40
e) Key management compensations	1.242	1.242
f) Receivables from key management	2	2
g) Payables to key management included in above	33	33

The company has guaranteed to financial institutions for bank credit limits for the subsidiary SPACE HELLAS (CYPRUS) Lt.d.up to the amount of € 33 thousand, through the issuance of letters of guaranty.

Agia Paraskevi, 31 March 2020

CHAIRMAN OF THE BOARD OF DIRECTORS	CHIEF EXECUTIVE OFFICER	CHIEF FINANCIAL OFFICER AND EXECUTIVE MEMBER OF THE BOARD	CHIEF ACCOUNTANT AND EXECUTIVE MEMBER OF THE BOARD
SPYRIDON MANOLOPOULOS	IOANNIS MERTZANIS	IOANNIS DOULAVERIS	ANASTASIA PAPARIZOU

6 GROUP’S WEB SITE AND AVAILABILITY OF THE PUBLISHED FINANCIAL REPORT

The attached Financial Statements of 31.12.2019 of the Group and the Company were approved by the Board of Directors of SPACE HELLAS on 31.03.2020 and have been published with their posting on the Company's website www.space.gr as well as on the website of Athens Stock Exchange where they shall remain at the disposal of the investing public for a period of at least five years from the date of their publication. The published financial data and information resulting from the Financial Statements depict in a true and concise but essential way, all relevant and legally necessary information, in order to offer a substantial and detailed information on the activity of the Company and the Group to the investing public. The reader can refer to the company's website www.space.gr where the financial statements of the company's subsidiaries are uploaded. The auditors of the consolidated and corporate Financial Statements of SPACE HELLAS both for the fiscal year that ended on 31.12.2019 and for the previous fiscal year are the auditing company PKF Euroauditing SA.

We certify that the attached annual financial report, from pages 1 to 106, includes the annual financial statements of the Group and of company SPACE HELLAS SA for the financial year from January 1, 2019 to December 31, 2019, which have been approved by the Board of Directors of SPACE HELLAS SA on March 31st , 2020 and have been published by posting them on the internet, at the address **http://www.space.gr.,** and have been signed by the following:

CHAIRMAN OF THE BOARD OF DIRECTORS	CHIEF EXECUTIVE OFFICER	CHIEF FINANCIAL OFFICER AND MEMBER OF THE BOARD	CHIEF ACCOUNTANT
SPYRIDON MANOLOPOULOS	**IOANNIS MERTZANIS**	**IOANNIS DOULAVERIS**	**ANASTASIA PAPARIZOU**