# Uni Systems Information Technology Systems Commercial S.M.S.A.

- **Consolidated and Separate Financial Statements for financial year 2019**
- **Management Report of the Board of Directors**
- **Independent Auditor's Report**

# Uni Systems Information Technology Systems Commercial S.M.S.A.

## Consolidated and Separate Financial Statements

## for financial year 2019

## (from 1 January to 31 December 2019)

## in accordance with International Financial Reporting Standards


**Uni Systems S.M.S.A.**

**G.E.MI. (General Electronic Commercial Registry) No 121831201000**
**former Société Anonyme Reg. No** 1447/01NT/B/86/331(08)

**19-23 Al. Pantou St., Kallithea**



**Kallithea**

**March 2020**

**Contents**

**Statement of financial position**

*Amounts in thousand €*

| | Note | GROUP 31.12.2019 | GROUP 31.12.2018 | COMPANY 31.12.2019 | COMPANY 31.12.2018 |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Non-current assets** | | | | | |
| Property, plant and equipment | 6 | 6,485 | 7,027 | 6,485 | 7,026 |
| Rights of use of assets | 6.1 | 5,484 | - | 5,307 | |
| Intangible assets | 7 | 660 | 829 | 657 | 825 |
| Investment property | 8 | 2,816 | 2,826 | 2,816 | 2,826 |
| Investments in subsidiaries and associates | 9 | - | - | 411 | 211 |
| Receivables from contracts with customers | 14 | 130 | 1.535 | 130 | 1,535 |
| Deferred tax assets | 11 | 2,465 | 3,012 | 2,465 | 3,012 |
| Other non-current receivables | 13 | 211 | 215 | 202 | 212 |
| | | **18,251** | **15,444** | **18,473** | **15,647** |
| **Current assets** | | | | | |
| Inventories | 12 | 774 | 1,158 | 774 | 1,158 |
| Trade and other receivables | 13 | 47,043 | 25,998 | 48,956 | 26,132 |
| Receivables from contracts with customers | 14 | 14,986 | 12,168 | 12,772 | 11,633 |
| Available-for-sale financial assets | | | | | |
| Financial assets | 10 | - | - | - | - |
| Current income tax assets | | 164 | 394 | 164 | 394 |
| Cash and cash equivalents | 15 | 11,745 | 7,797 | 10,112 | 6,946 |
| | | **74,712** | **47,515** | **72,778** | **46,263** |
| **Total assets** | | **92,963** | **62,959** | **91,251** | **61,910** |
| **EQUITY** | | | | | |
| **Attributable to the shareholders** | | | | | |
| Share capital | 16 | 4,495 | 4,410 | 4,495 | 4,410 |
| Share premium | 16 | 7,208 | 9,329 | 7,208 | 9,329 |
| Other reserves | 17 | 3,813 | 3,821 | 3,874 | 3,874 |
| Retained earnings | | 10,957 | 10,093 | 10,114 | 9,619 |
| **Total equity** | | **26,473** | **27,653** | **25,691** | **27,232** |
| **LIABILITIES** | | | | | |
| **Non-current liabilities** | | | | | |
| Retirement benefit obligations | 18 | 4,109 | 3,761 | 4,109 | 3,761 |
| Payables from contracts with customers | 14 | 4,503 | 10,593 | 4,503 | 10,593 |
| Lease payable | 20 | 4,580 | - | 4,449 | - |
| Trade and other payables | 19 | 52 | 52 | 52 | 52 |
| | | **13,244** | **14,406** | **13,113** | **14,406** |
| **Current liabilities** | | | | | |
| Trade and other payables | 19 | 37,396 | 17,973 | 36,792 | 17,451 |
| Payables from contracts with customers | 14 | 14,786 | 2,821 | 14,657 | 2,745 |
| Current income tax liabilities | | 56 | 48 | 40 | 21 |
| Grants | | - | 46 | - | 44 |
| Borrowings | 21 | - | 12 | - | 11 |
| Lease payable | 20 | 1,008 | - | 958 | - |
| | | **53,246** | **20,900** | **52,447** | **20,272** |
| **Total liabilities** | | **66,490** | **35,306** | **65,560** | **34,678** |
| **Total equity and liabilities** | | **92,963** | **62,959** | **91,251** | **61,910** |

The notes on pages 8 to 57 are an integral part of these financial statements

## Income statement

*amounts in thousand €*

| | | GROUP | | COMPANY | |
|---|---|---|---|---|---|
| | | From 1 January to | | From 1 January to | |
| | Note | 31.12.2019 | 31.12.2018 | 31.12.2019 | 31.12.2018 |
| **Sales** | 5 | **116,235** | **90,205** | **110,753** | **88,377** |
| Cost of sales | 22 | (99,089) | (79,216) | (94,484) | (77,676) |
| **Gross profit** | | **17,146** | **10,989** | **16,270** | **10,701** |
| Distribution costs | 22 | (6,654) | (5,739) | (6,293) | (5,565) |
| Administrative expenses | 22 | (6,776) | (6,419) | (6,598) | (6,366) |
| Other operating income / (expenses) – net | 24 | 87 | 2.760 | 80 | 2.772 |
| Other gains /(losses) - net | 24 | (761) | (765) | (761) | (790) |
| **Profit/(loss) before tax, interest and investing activities** | | **3,042** | **826** | **2.698** | **752** |
| Finance income | 25 | 239 | 41 | 239 | 42 |
| Finance (cost) | 25 | (873) | (326) | (850) | (312) |
| Finance cost - net | 25 | (634) | (285) | (611) | (270) |
| **Profit/(loss) before tax** | | **2.408** | **541** | **2.087** | **482** |
| Income tax | 26 | (1.517) | (694) | (1,477) | (670) |
| **Profit/(loss) for the year** | | **891** | **(153)** | **610** | **(188)** |
| **Earnings/(losses) per share attributable to the shareholders of the parent company for the year** (amounts in € per share) | | | | | |
| Basic and diluted | 28 | 0.0575 | (0.0146) | 0.0393 | (0.0179) |

The notes on pages 8 to 57 are an integral part of these financial statements

## Statement of comprehensive income

*amounts in thousand €*

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | From 1 January to | | From 1 January to | |
| | 31.12.2019 | 31.12.2018 | 31.12.2019 | 31.12.2018 |
| **Profit /(loss) for the year** | **891** | **(153)** | **610** | **(188)** |
| **Items that will not be reclassified to profit or loss:** | | | | |
| **Actuarial gains / (losses)** | (114) | (96) | (114) | (96) |
| **Total comprehensive income/ (losses) for the year after tax** | **777** | **(249)** | **496** | **(284)** |
| **Attributable to:** | | | | |
| Shareholders of the parent company | 777 | (249) | 496 | (284) |
| | **777** | **(249)** | **496** | **(284)** |

The notes on pages 8 to 57 are an integral part of these financial statements

(amounts in '000 EUR, unless otherwise stated)

## Statement of changes in equity

| | | Share capital & Share premium | Other reserves | Retained earnings | Total | Total equity |
|---|---|---|---|---|---|---|
| **Balance at 1 January 2018** | **Note** | **13,739** | **3,678** | **12,264** | **29,681** | **29,681** |
| **Total comprehensive income / (losses) for the year after tax** | | - | - | (249) | (249) | (249) |
| **First time adoption of IFRS 9 for impairment of receivables (trade and RR)** | | | | (1,745) | (1,745) | (1,745) |
| Exchange differences on translation of foreign operations | | - | 142 | - | 142 | 142 |
| Share capital decrease | 16 | - | - | - | - | - |
| Dividends paid | | - | - | - | - | - |
| Other | | - | | (177) | | (177) |
| **Balance at 31 December 2018** | | **13,739** | **3,821** | **10,093** | **27,653** | **27,653** |
| **Total comprehensive income / (losses) for the year after tax** | | - | - | 777 | 777 | 777 |
| Capitalization of reserve from share premium accounts | | 2,100 | | - | 2,100 | 2,100 |
| Transfer of premium reserve to capital | | (2,100) | | | (2,100) | (2,100) |
| Exchange differences on translation of foreign operations. | | - | (8) | (12) | (20) | (20) |
| Share capital decrease | 16 | (2,015) | - | - | (2,015) | (2,015) |
| Dividends payment | | - | - | - | - | - |
| Other (Capital duty, start of UNI BV) | | (21) | | 99 | 78 | (78 |
| **Balance at 31 December 2019** | | **11,703** | **3,813** | **10,957** | **26,473** | **26,473** |

The notes on pages 8 to 57 are an integral part of these financial statements

**COMPANY**

*amounts in thousand €*

| | Note | Share capital & Share premium | Other reserves | Retained earnings | Total equity |
|---|---|---|---|---|---|
| **Balance at 1 January 2018** | **Note** | **13,739** | **3,874** | **11,648** | **29,261** |
| **Total comprehensive income / (losses) for the year after tax** | | - | - | (284) | (284) |
| **First time adoption of IFRS 9 for impairment of receivables (trade and RR)** | | - | - | (1,745) | (1,745) |
| Share capital decrease | 16 | - | - | - | - |
| **Balance at 31 December 2018** | | **13,739** | **3,874** | **9,619** | **27,232** |
| **Total comprehensive income / (losses) for the year after tax** | | - | - | 495 | 495 |
| Capitalization of reserve from share premium account | | 2,100 | - | - | 2,100 |
| Transfer of premium reserve to capital | | (2,100) | - | - | (2,100) |
| Other (Capital duty) | | (21) | - | - | (21) |
| Share capital decrease | 16 | (2,015) | - | - | (2,015) |
| **Balance at 31 December 2019** | | **11,703** | **3,874** | **10,114** | **25,691** |

The notes on pages 8 to 57 are an integral part of these financial statements

## Statement of cash flows

*amounts in thousand €*

| | | GROUP | | COMPANY | |
|---|---|---|---|---|---|
| | | From 1 January to | | From 1 January to | |
| | Note | 31.12.2019 | 31.12.2018 | 31.12.2019 | 31.12.2018 |
| **Cash flows from operating activities** | | | | | |
| Cash flows from operating activities | 27 | 8,316 | 1,954 | 7,701 | 1,549 |
| Interest paid | | (873) | (337) | (860) | (312) |
| Income tax paid / (not paid) | | (21) | (6) | (21) | (6) |
| **Net cash flow from operating activities** | | **7,422** | **1,611** | **6,820** | **1,231** |
| **Cash flows from investing activities** | | | | | |
| Payments for property, plant and equipment | 6 | (891) | (296) | (860) | (292) |
| Payments for intangible assets | 7 | (201) | (26) | (201) | (26) |
| Proceeds from sale of PPE and intangible assets | | 1 | 4 | 1 | 4 |
| Payments for acquisition of subsidiaries, associates, joint ventures & other investments or/and change in interest held | | 47 | - | (253) | (12) |
| Interest received | 25 | 239 | 42 | 239 | 42 |
| **Net cash flows from investing activities** | | **(805)** | **(262)** | **(1.074)** | **(284)** |
| **Cash flows from financing activities** | | | | | |
| Collection of PPE grants | | - | - | - | - |
| Repayment of operating leases | | (629) | | (553) | |
| Share capital decrease | 16 | (2,015) | - | (2,015) | - |
| Repayments of borrowings | 21 | (12) | 12 | (12) | 12 |
| **Net cash flows from financing activities** | | **(2,656)** | **12** | **(2,580)** | **12** |
| **Net increase/(decrease) in cash and cash equivalents** | | **3,961** | **1,361** | **3,166** | **959** |
| Cash and cash equivalents at beginning of year | 15 | 7,797 | 6,442 | 6,946 | 5,987 |
| Exchange gains/(losses) on cash and cash equivalents | | (13) | (6) | - | - |
| **Cash and cash equivalent at end of year** | 15 | **11,745** | **7,797** | **10,112** | **6,946** |

The notes on pages 8 to 57 are an integral part of these financial statements

(amounts in '000 EUR, unless otherwise stated)

**Notes to the Financial Statements**
**1. General information**

Uni Systems Information Technology Systems Commercial S.M.S.A, (the “Company”) was founded on 31 December 1970 (as a transformation of the limited liability partnership trading under the name "Doxiadis Electronic Explorers - Research and Computing Centre Limited Liability Partnership” established in 1964).

The Company and its subsidiaries (the “Group”) operate in the information technology sector and more specifically in the provision of integrated information technology and network services including hardware and software, and the implementation of large-scale projects.

The Group operates in Greece, Belgium, Luxembourg, Romania and Italy, as well as other foreign countries.

The Company's registered offices are in Kallithea at 19-23 Al. Padou St., and its website is www.unisystems.com.

Financial statements comprise the separate financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries (the "Group") as of 31 December 2019, in accordance with the International Financial Reporting Standards (IFRS). The names of the subsidiary companies are listed in Note 2.2.

The financial statements of the Group are consolidated using the full consolidation method by Quest Holdings SA, a company based in Kallithea, Athens, which at 31.12.2019 held 100% of the Company.

In summary, the basic information for the Company is as follows:

**Composition of the Board of Directors**

| | |
|---|---|
| Ioannis K. Loumakis | Chairman & Chief Executive Officer |
| Apostolos M. Georgantzis | Vice Chairman |
| Eftihia S. Koutsoureli | Member |
| Theodoros D. Fessas | Member |
| Markos G. Bitsakos | Member |

**Supervisory authority**

Region of Attica South Athens Regional Unit

**G.E.MI. (General Electronic Commercial Registry) No. 121831201000**

**former Société Anonyme Reg. No** 1447/01NT/B/86/331(08)

**Tax Identification Number**

094029552

The term of office of the Board of Directors expires on 28.06.2025.

The Company’s Board of Directors approved the annual financial statements of the Group and the Company for the 49th financial year ended 31 December 2019, in the meeting held on 30/03/2020.

**2. Accounting principles applied in the preparation of the financial statements**

The key accounting policies adopted in the preparation of these separate and consolidated financial statements are presented below. These accounting policies have been applied consistently to all financial periods presented, except otherwise stated.

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

These financial statements comprise of the separate financial statements of Uni Systems Information Technology Systems Commercial S.M.S.A. (the "Company") and the consolidated financial statements of the Company and its subsidiaries (the "Group") as of 31 December 2019, in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union.

The separate and consolidated financial statements of Uni Systems Information Technology Systems Commercial S.M.S.A. as at 31 December 2019, for the 49th financial year from 1 January to 31 December 2019, have been prepared by the Management under the historical cost convention, as modified by the available-for-sale financial assets, financial assets at fair value through profit or loss and derivative financial instruments, which are carried at fair value.

The accounting principles applied for the preparation and presentation of the Company and Group financial statements for the year ended 31 December 2019 are consistent with the accounting principles applied in the previous financial year (2018).

The preparation of financial statements in accordance with the International Financial Reporting Standards (IFRS) requires the use of certain critical accounting estimates and judgements by the Management in the application of accounting principles. Moreover, the use of estimates and assumptions is required, which affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of preparation of financial statements and the reported income and expense amounts during the reporting period. Although these estimates are based on the best possible knowledge of the Management with respect to the current conditions and activities, the actual results can eventually differ from these estimates.

The areas requiring extensive use of judgement from the Management and which are of high significance for the financial statements, are presented in note 4.

**Going concern**

The Group and the Company fulfil their needs for working capital through cash flows generated and other available resources, including bank lending.

The spread of the disease of coronavirus (COVID-19) creates pressure and limitations in the demand for the Group's and the Company’s products, as well as in their liquidity for the foreseeable future.

However, the Group’s and the Company’s projections, taking into account possible changes in their business performance, create a reasonable expectation for the Management that the Company and the Group have adequate resources to continue seamlessly their business operations in the near future.

Therefore, the Group and the Company have prepared the separate and consolidated financial statements for the year ended 31 December 2019 on a going concern basis.

***New standards, amendments to standards and interpretations:*** Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning on or after 1 January 2019. The Group’s evaluation of the effect of these new standards, amendments to standards and interpretations is as follows:

## Standards and Interpretations effective for the current financial year

### IFRS 16 ‘Leases’

IFRS 16 has been issued in January 2016 and supersedes IAS 17. The objective of the standard is to ensure the lessees and lessors provide relevant information in a manner that faithfully represents those transactions. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. The impact of the standard on the Group at 1 January 2019 was 6,197 thousand euros rights of use of assets and 5,925 thousand euros lease payables, while for the Company it was 5,941 thousand euros rights of use of assets and 5,767 thousand euros lease payables. There was no significant impact on the results before tax of the Group and the Company. (Notes 6.1 & 20).

The Group implements IFRS 16 as of the mandatory date for its adoption at 1 January 2019. It applies the simplified method of transition and has not restated comparative amounts for the year preceding first implementation. The standard mainly affects the accounting and representation of operating leases of the Group and the Company. For more information see notes 2a, 6.1 and 20.

**IFRS 9 (Amendments) 'Prepayment Features with Negative Compensation'**

The amendments allow companies to measure particular prepayable financial assets with so-called negative compensation at amortised cost or at fair value through other comprehensive income if a specified condition is met instead of at fair value through profit or loss.

**IAS 28 (Amendments) 'Long term interests in associates and joint ventures'**

The amendments clarify that companies account for long-term interests in an associate or joint venture, to which the equity method is not applied, using IFRS 9.

**IFRIC 23 'Uncertainty over income tax treatments'**

The interpretation explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. IFRIC 23 applies to all aspects of income tax accounting where there is such uncertainty, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates.

**IAS 19 (Amendments) 'Plan amendment, curtailment or settlement'**

The amendments specify how companies determine pension expenses when changes to a defined benefit pension plan occur.

**Annual Improvements to IFRS (2015 – 2017 Cycle)**

The amendments set out below include changes to four IFRSs.

*IFRS 3 'Business combinations'*

The amendments clarify that a company remeasures its previously held interest in a joint operation when it obtains control of the business.

*IFRS 11 'Joint arrangements'*

The amendments clarify that a company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.

*IAS 12 'Income taxes'*

The amendments clarify that a company accounts for all income tax consequences of dividend payments in the same way.

*IAS 23 'Borrowing costs'*

The amendments clarify that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

**Standards and Interpretations effective for subsequent periods**

**IFRS 17 'Insurance contracts'** (effective for annual periods beginning on or after 1 January 2021)

IFRS 17 has been issued in May 2017 and supersedes IFRS 4. IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the Standard and its objective is to ensure that an entity provides relevant information that faithfully represents those contracts. The new standard solves the comparison problems created by IFRS 4 by requiring all insurance contracts to be accounted for in a consistent manner. Insurance obligations will be accounted for using current values instead of historical cost. The standard has not yet been endorsed by the EU.

**IFRS 3 (Amendments) 'Definition of a business'** (effective for annual periods beginning on or after 1 January 2020)

The amended definition emphasises that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and others. The amendments have not yet been endorsed by the EU.

**IAS 1 and IAS 8 (Amendments) 'Definition of material'** (effective for annual periods beginning on or after 1 January 2020)

The amendments clarify the definition of material and how it should be applied by including in the definition guidance which until now was featured elsewhere in IFRS. In addition, the explanations accompanying the definition have been improved. Finally, the amendments ensure that the definition of material is consistent across all IFRS.

**IFRS 9, IAS 39 and IFRS 7 (Amendments) 'Interest rate benchmark reform'** (effective for annual periods beginning on or after 1 January 2020)

The amendments modify some specific hedge accounting requirements to provide relief from potential effects of the uncertainty caused by the IBOR reform. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties.

**IAS 1 (Amendment) 'Classification of liabilities as current or non-current'** (effective for annual periods beginning on or after 1 January 2022)

The amendment clarifies that liabilities are classified as either current or non-current depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date. The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability. The amendment has not yet been endorsed by the EU.

### 2.2 Consolidation

**(a) Subsidiaries**

Subsidiaries are the companies whose financial and operating policies are directly or indirectly controlled by the Group. 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 Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the shares issued and the liabilities incurred on the acquisition date, plus any costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at acquisition at fair value regardless of shareholding percentage. The excess of the cost of acquisition over the fair value of the net assets of the subsidiary acquired is recorded as goodwill. If the cost of acquisition is less than the Group's share in the fair value of the identifiable assets acquired, the difference is recognised directly in the income statement.

Transactions, balances and unrealised gains from transactions between Group companies are eliminated. Unrealised losses are also eliminated unless cost cannot be recovered. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Company accounts for investments in associates in its separate financial statements at cost less impairment.

The subsidiaries consolidated by the Group are the following: **a)** Unisystems Cyprus SA, which consolidates the financial statements of its subsidiary: Unisystems Information Technology Systems SRL, **b)** Unisystems Netherlands B.V., which consolidates the financial statements of its subsidiary Unisystems Turkish Information Technologies Inc., and **c)** Unisystems Luxembourg S.a.r.l..

**(b) Joint arrangements**

According to IFRS 11, investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. At 31.12.2019, the Company holds interests in the following joint ventures:

- J/V " Uni Systems Information Technology Systems Commercial S.M.S.A. - SingularLogic SA", Athens, for the project "Computerisation of the Criminal Record Central Service of the Ministry of Justice". The joint venture is under liquidation.

- J/V " Uni Systems Information Technology Systems Commercial S.M.S.A. - SingularLogic SA", Athens, for the project "Computerisation of the Criminal Record Service of the Public Prosecutor’s Office of the Court of First Instance of six cities". The joint venture is under liquidation.

- Joint Venture of Integrated IT Projects ALTEC-INFO QUEST-INTRACOM IT SERVICES-PC SYSTEMS under the distinctive title "K.O.E.P. "(J/V Information Technology Olympic Projects) for the project Computerisation of Athens 2004. The joint venture is under liquidation.

- J/V " Uni Systems Information Technology Systems Commercial S.M.S.A. - SPACE HELLAS" for the project "Provision of Hardware and Software Systems for the Development of the Cadastral Information System of the National Cadastre and Mapping Agency SA".

  It is noted that the aforementioned Joint Ventures:

a) Have been established, in accordance with the applicable legislation for tax purposes and there is no equity relationship between the Company and these Joint Ventures.

b) They have all the characteristics of joint arrangements, as defined in IFRS 11.

c) The Company, based on relevant pricing, has recognised in its financial statements its proportionate share of the net fee (proportionate income less expenses) received for the above projects carried out by Joint Ventures as of 31.12.2019.

For all the aforementioned reasons, these Joint Ventures have not been included in the consolidation.

**(c) 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 recognised at cost. The Group’s investment in associates also includes goodwill (net of any impairments losses) identified upon acquisition.

Under this method the Group’s share of the post-acquisition profits or losses of associates is recognised in the income statement and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements affect the carrying amount of investments in associates with a corresponding adjustment to the carrying amount of the investment. In the event that the Group's share in the losses of an associate exceeds the value of the investment in the associate, no further losses are recognised unless payments have been made or other obligations have been assumed on behalf of the associate.

The Group assesses at each reporting date whether there is objective evidence that investments in associates are impaired. When evidence arises, the Group calculates the amount of the impairment as the difference between the recoverable value of investment in associates and the carrying value and recognises the amount in the income statement.

Unrealised profit from transactions between the Group and its associates are eliminated according to the Group's interest held in the associates. The accounting policies of associates have been amended to be consistent with those adopted by the Group.

### 2.3 Foreign currency translation

**(a) Functional and presentation currency**

The items included in the financial statements of Group companies are calculated using the currency of the primary economic environment in which each company operates ("functional currency"). The separate and consolidated financial statements are presented in thousand euros, which is the parent Company's as well as Group companies' functional and presentation currency.

**(b) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Foreign exchange gains or losses relating to cash and cash equivalents or borrowings are presented in the income statement under "Finance income/(expenses) - net". All other foreign exchange gains or losses are presented in the income statement under "Other gains/(losses) - net".

Foreign currency translation differences from non-monetary items that are held at fair value are considered as part of the fair value and as such are accounted for as fair value gains or losses.

### (c) Group companies

The financial statements of all Group entities (none of which has the currency of a hyper inflationary economy) that have a functional currency different from the Group's presentation currency are translated into the presentation currency as follows:

- Assets and liabilities of each statement of financial position are translated using the exchange rates prevailing on the date of the statement of financial position,
- Income and expenses are translated at the average exchange rates of each period (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rates prevailing on the dates of the transactions), and
- The resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of foreign entities are treated as assets and liabilities of the foreign entities and are translated using the exchange rate at the reporting date. Exchange differences arising are recognised in other comprehensive income.

### 2.4 Property, plant and equipment

Property, plant and equipment is recognised at acquisition cost less accumulated depreciation and impairment losses. Acquisition cost includes all expenditure directly associated with the acquisition of items of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a

separate asset, as appropriate, only when it is probable that future economic benefits

associated with the item will flow to the Group that are greater than the benefits initially expected according to the item's initial performance and on condition that the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

The estimated useful life of items of property, plant and equipment are as follows:

| | | |
|---|---|---|
| Buildings and leasehold improvements | 50 | Years |
| Machinery - technical installations and other mechanical equipment | 1 - 7 | Years |
| Vehicles | 5-8 | Years |
| Furniture & equipment | 1 - 7 | Years |

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount and the difference (impairment) is immediately recognised as expense in the income statement.

Upon the sale of PPE, any difference between the consideration received and the asset's carrying amount is recorded as gain or loss in the income statement.

**2.5 Intangible assets**

**(a) Goodwill**

Goodwill represents the difference between acquisition cost and the fair value of the subsidiary's/associate's equity share as at the date of acquisition. Goodwill arising from acquisitions of subsidiaries is recognised in intangible assets. Goodwill arising from acquisition of associates is recognised in investments in associates. Goodwill is reviewed annually for impairment and is recognised at cost less impairment, which is charged in the income statement when it is incurred and is not subsequently reversed. Profit and losses from the disposal of an enterprise include the book value of the goodwill of the enterprise sold.

For the purposes of impairment testing, goodwill acquired in a business combination is allocated to cash generating units. Impairment loss is recognised when the recoverable value is less than the net book value. Profit or loss resulting from the disposal of an enterprise include the goodwill of the enterprise sold. Impairment losses are recognised as expenses in the income statement when incurred and are not reversed.

**(b) Concessions and industrial property rights**

Concessions and industrial property rights are measured at acquisition cost less amortisation and impairment loss. Amortisation is calculated using the straight line method over the estimated useful lives of the assets ranging from 3-5 years.

**(c) Software**

Software licenses are measured at acquisition cost less accumulated amortisation, less accumulated impairment loss. Amortisation is calculated using the straight line method over the estimated useful lives of the assets ranging from 3-5 years, or on an annual basis depending on licence renewal.

Costs associated with developing or maintaining computer software programs are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group (proprietary software) are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it is available for use
- The company's management intends to complete the software product and use it or sell it
- There is an ability to use or sell the software product
- Future economic benefits are expected to arise from the software
- There are adequate technical, financial and other resources to complete the development and to use or sell the software product
- The expenditure attributable to the software product during its development can be reliably measured

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Internally-generated software recognised as an intangible asset is amortised over its useful life which may range between 3 and 5 years.

**2.6 Impairment of non-financial assets**

Assets that have an indefinite useful life, such as goodwill, are not subject to amortisation but are tested annually for impairment. Assets that are subject to depreciation are tested for impairment when circumstances or indications exist that their book value is not recoverable. The recoverable amount is the higher of an asset's net realisable value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Impairment losses are recognised as an expense in the income statement in the period in which they are incurred. Non-financial assets that have suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

**2.7 Non-current assets (or disposal groups) held for sale**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

**2.8 Financial assets**

A financial instrument is any contract that creates a financial asset in one entity and a financial liability or equity instrument on another entity.

**Initial recognition and subsequent measurement of financial assets**

As of 1 January 2019, financial assets are initially recognised at fair value through other comprehensive income or at fair value through profit or loss and are subsequently measured at amortised cost. The classification of financial assets at initial recognition is based on the contractual cash flows of the financial assets and the business model within which the financial asset is held.

With the exception of trade receivables, the Group initially measures a financial asset at its fair value plus transaction costs, in the case of a financial asset that is not measured at fair value through profit or loss. Trade receivables are initially measured at transaction value as defined by IFRS 15.

In order to classify and measure a financial asset at amortised cost or at fair value through other comprehensive income, cash flows must arise that are "solely payments of principal and interest" on the principal amount outstanding. This measurement is known as SPPI ("solely payments of principal and interest") criterion and is performed at financial instrument level.

After initial recognition, financial assets are classified into three categories: - at amortised cost

- at fair value through other comprehensive income

- at fair value through profit or loss

The Group and the Company do not have assets that are measured at fair value through other comprehensive income at 31 December 2019.

Financial assets classified as at fair value through profit or loss are initially recognised at fair value with gains or losses from measurement recognised in the income statement. Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss are recognised in the income statement within "Gains/ (losses) from investments and other financial assets - Impairments".

Financial assets at amortised cost are subsequently measured using the effective interest rate method (EIR) and are subject to impairment testing. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The fair values of quoted investments are based on quoted market bid prices. For investments for which there is no active market, fair value is determined by valuation techniques unless the range of reasonable fair value estimates is significant and the probabilities of the various estimates cannot be reasonably assessed, where the entity is precluded from measuring these investments at fair value. The purchase or sale of financial assets that require the delivery of assets within a time frame established by regulation or market assumption is recognised at the settlement date (i.e. the date when the asset is transferred or delivered to the Group or the Company).

**Impairment of financial assets**

The Group and the Company assess at each reporting date whether a financial asset or a group of financial assets is impaired as follows:

The Group and the Company recognise impairment losses against expected credit losses for all financial assets other than those measured at fair value through profit or loss. Expected credit losses are based on the difference between all contractual cash flows receivable under the contract and all cash flows that the Group or the Company expect to receive, discounted at the approximate original effective interest rate.

Expected credit losses are recognised in two stages. If the credit risk of a financial instrument has not increased significantly from the initial recognition, an entity measures the loss allowance on that financial instrument to an amount equal to the expected credit losses of the next 12 months. If the credit risk of the financial instrument has increased significantly from the initial recognition, an entity measures the loss allowance for a financial instrument for an amount equal to the expected credit losses over the life of the asset, regardless of when the breach occurred.

For trade receivables and contract assets, the Group and the Company apply the simplified approach for calculating the expected credit losses. Therefore, at each reporting date, the Group and the Company measure the loss allowance for a financial instrument at the amount of the expected credit losses over the life of the asset without monitoring changes in credit risk.

**Derecognition of financial assets**

A financial asset (or a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the contractual rights to cash inflows from the financial asset have expired,

- the Group or the Company retain the right to receive cash flows from that specific asset but have also undertaken the obligation to pay them in full to third parties without undue delay in the form of a transfer agreement, or the Group or Company have transferred the right to the cash inflows from the asset and at the same time they (a) have transferred substantially all the risks and rewards of the asset or (b) have not transferred substantially all the risks and rewards from the asset, but have transferred control of the asset.

When the Group or the Company transfers the rights to receive cash flows from an asset or concludes a transfer agreement, they assess the extent to which they retain the risks and rewards of ownership of the asset. When the Group neither transfers nor retains substantially all the risks and rewards of the transferred asset and retains control of the asset, then the asset is recognised to the extent that the Group continues to participate in the asset. In this case, the Group also recognises a relevant liability. The transferred asset and the relevant liability are measured on a basis that reflects the rights and commitments retained by the Group or the Company.

Continued participation in the form of guarantee of the transferred asset is recognised at the lower of the carrying amount of the asset and the maximum amount of consideration received that the Group could be obligated to return. Initial recognition and subsequent measurement of financial liabilities.

All financial liabilities are initially measured at their fair value less transaction costs, in the case of loans and payables.

**Derecognition of financial liabilities**

A financial liability is derecognised when the commitment arising from the liability is expired or cancelled. When an existing financial liability is replaced by another to the same lender but under substantially different terms or the terms of an existing liability are significantly modified, such exchange or amendment is treated as a derecognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

**Offsetting of financial assets and liabilities**

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position only when the Group or the Company has a legal right to set off the recognised amounts and intends either to settle such asset and liability on a net basis or to realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

## 2.9 Financial Instruments

Derivative financial instruments include forward currency agreements. Derivatives are initially recognised in the balance sheet at fair value on the date of the agreement and are subsequently measured at fair value. Derivatives are included in assets when the fair value is positive, while if their fair value is negative they are included in liabilities.

The Group uses derivative financial instruments to manage the risk associated with its business activities. If derivative financial instruments do not meet the hedge accounting criteria, changes in their fair value are recognised in the income statement.

The gain or loss resulting from the use of derivative financial instruments is recorded in profit or loss under "Other gains/losses".

At 31 December 2019 the Group does not hold derivative financial instruments.

## 2.10 Inventories

Inventories are measured at the lower of acquisition cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

The acquisition cost of inventories is calculated using the weighted average method. Finance cost is not included in the acquisition cost of inventories.

## 2.11 Trade receivables

Trade receivables are initially recognised at their fair value and subsequently measured at amortised cost using the effective interest method, less impairment losses. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of provision is the difference between the asset’s carrying amount and the present value of the estimated future cash flows, discounted at the effective interest rate. The amount of provision is recognised as an expense in the income statement under distribution expenses. Any trade receivables that are not considered to be recoverable are written off against the above provisions.

## 2.12 Cash and cash equivalents

Cash and cash equivalents include cash, sight deposits, bank overdrafts and short-term investments of up to three months, with high liquidity and low risk. Bank overdrafts are included in short-term borrowings.

## 2.13 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares for the acquisition of other entities are included in the cost of acquisition of the acquired entity.

Where any group company purchases the Company’s, equity share capital (treasury shares), the consideration paid is deducted from the Company's equity until the shares are sold, cancelled or reissued. Any gain or loss from the sale of treasury shares, net of any directly attributable transaction costs and taxes is presented as a reserve in equity.

**2.14 Trade payables**

Trade payables include payment obligations for products and services acquired during the Group's ordinary course of business. Trade payables are classified as current liabilities if payment is due within the next year. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

**2.15 Borrowings**

Borrowings are recognised initially at fair value, net of transaction costs incurred, and are subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest rate method.

Borrowings are classified as current liabilities unless the Group has the right to defer the settlement of the obligation for at least 12 months from the balance sheet date.

**2.16 Borrowing Costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

**2.17 Current and deferred income tax**

The tax expense for the period comprises current and deferred tax, that is tax charges and relieves related to the economic benefits arising in the reporting period but have already been or will be imposed by tax authorities in different reporting periods.

Current income taxes comprise tax liabilities towards tax authorities, including taxes charged on the taxable income for the year and any additional taxes concerning previous reporting periods.

Income tax on profit is calculated using the applicable tax rates in accordance with the tax legislation effective in each reporting period, based on the taxable profit for the period.

Deferred income tax is determined using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. The deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither the accounting nor the taxable gains or losses.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is also recognised on deductible temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred income tax is recognised in the income statement if the transactions and events related to the tax charge are also recognised in the income statement. Deferred income tax is recognised directly in equity if the transactions and events related to the tax charge are also recognised in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

### 2.18 Employee benefits

**(a) Short-term benefits**

Short-term employee benefits (other than employment termination benefits) both in cash and in kind are recognised as an expense when they are accrued. Any outstanding payment is recognised as a liability and if the amount already paid exceeds the amount of benefits, the company records the excess amount as an asset (prepaid expense) only to the extent that the prepayment leads to a reduction in future payments or a cash refund.

**(b) Post-employment benefits**

Post-employment benefits comprise both defined benefit and defined contribution plans.

- Defined contribution plan

In a defined contribution plan the company's (legal) obligation is limited to the amount it has agreed to pay to the insurance fund managing the contributions and providing the benefits (pensions, healthcare services etc.). As a result, the Group has no obligations to pay further contributions if the public insurance fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The accrued cost of defined contribution plans is recognised as expense in the relevant period.

- Defined benefit plan

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation less the fair value of plan assets. The defined benefit obligation is calculated by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

The current service cost of the defined benefit plan is recognised in the income statement in employee benefit expense, except where it is included in the cost of an asset. The current service cost reflects the increase in the defined benefit obligation resulting from employee service in the current year as well as changes due to curtailments and settlements.

Past service cost is directly recognised in the income statement.

The net interest cost is calculated as the net amount between the defined benefit plan liability and the fair value of the plan assets multiplied by the discount rate. This cost is included in employee benefit expense in the income statement.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are transferred to equity by being charged or credited to other comprehensive income in the period in which they arise.

**(c) Employment termination benefits**

Termination benefits are paid when employees leave before the retirement date. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits falling due more than 12 months after the end of the reporting date are discounted to their present value. In case of employment termination where it is impossible to identify the employees who will use these benefits, the benefits are disclosed as a contingent liability, but they are not accounted for.

### 2.19 Grants

Government grants are recognised at their fair value where it is virtually certain that the grant will be received and the Group will comply with all stipulated conditions. Government grants that were received in order to cover expenses are recognised in profit or loss and are matched to these expenses. Government grants relating to property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to the income statement on a straight- line basis over the expected lives of the related assets.

**2.20 Provisions**

Provisions are recognised when:

i. There is a present legal or constructive obligation as a result of past events.

ii. It is probable that an outflow of resources will be required to settle the obligation.

iii. The amount can be reliably estimated.

Provisions are measured at the discounted value of the future cash outflows needed to settle the current liability, based on the management's estimates, as of the balance sheet date. The discount interest rate used to determine the present value reflects current market assessments of the time value of money and any risks related to the specific liability.

**2.21 Revenue recognition**

Revenue consists of the fair value of the consideration received or receivable for goods and services supplied by the Company in its ordinary course of business, stated net of discounts, returns and value added taxes. Intra-group sales are not recognised in the consolidated financial statements.

Revenue is recognised only when it is probable that future economic benefits, relating to the transaction, will flow to the entity.

The Group's and the Company's revenue is generated from software development contracts as well as from computer hardware and application sales and maintenance agreements.

The specific revenue recognition criteria used are the following:

**(a) Provision of services through:**

- **Software development agreements (construction contracts)**

The Group and the Company use the percentage of completion method to determine the appropriate amount of revenue to be recognised over a specific period. The percentage of completion is calculated on the basis of total costs incurred up to the balance sheet date as a percentage of the total estimated cost for each agreement. Costs are recognised in the period in which they are incurred. When the outcome of an agreement cannot be reliably calculated, revenue is recognised only to the extent that the expenses incurred are likely to be recovered. When it is probable that the total cost of the agreement will exceed the total revenue, then the expected loss is directly recognised in the income statement as an expense.

- **Software support services agreements (Times & Means)**

Times & Means are agreements for which there is no predetermined total contractual scope and price. As a result, the total revenue to which the agreement will amount to, is unknown from the outset. These agreements form a cooperation framework between the Company and the customer and in some cases determine a financial threshold which may not be exceeded.

Times & Means agreements involve software support services by specifying general cooperation framework, time, price lists based on man hours, engineers' profiles, billing terms, payment terms, settlement terms, etc.

Revenue from these agreements is recorded directly when these services are billed (on-time billing), with the exception of certain cases (end of reporting period) where the corresponding revenues are calculated (off-time billing) and recorded as accrued revenue. Accrued accounts are settled in the next reporting period when the revenue is billed.

- **Computer hardware and application maintenance services**

Revenue from the provision of maintenance services is accounted for as the service is provided on the basis of the schedule specified in the agreements.

**(b) Sales of merchandise**

Sales of merchandise are recognised when the Group delivers the goods to customers, customers accept the goods and the collection of the amounts due is reasonably assured. In cases of warranty refund for sales of merchandise, refunds are accounted for at every balance sheet date as a reduction of revenue, based on statistics.

**(c) Interest income**

Interest income is recognised on a time-proportion basis using the effective interest method. In case of impairment of receivables, their carrying amounts are reduced to their recoverable amounts which are equal to the present value of the expected future cash flows discounted at the initial effective interest rate. Subsequently, interest is calculated using the same interest rate on the reduced (new carrying) value.

**(d) Dividends**

Dividends are accounted for as income upon their collection.

**2.22 Leases**

Up to the financial year 2018, leases of properties, facilities and equipment were classified either as finance leases or as operating leases. Payments made in the context of operating leases (net of any incentives received by the lessor) were charged in the results according to the straight-line method during the lease. From 1 January 2019, leases are recognized as asset, as well as corresponding liability on the date on which the leased asset is available for use by the Group. Each rent payment is distributed between the liability and the financial cost. Financial cost charges the operating results during the lease term, so that a fixed periodic interest rate results for the remaining liability for each period. The right of use of the asset is depreciated during the term of the lease on a steady basis or during the useful life of the asset, if shorter. Assets and liabilities arising from the lease are initially evaluated based on current value. Rent payables include the net current value of the following rents:

• fixed rents (including substantially fixed payments), reduced by any receivable lease incentives

• fluctuating rents, which depend on an indicator or interest rate, which are initially measured by using the indicator or the interest rate on the start date of the lease period

• the amounts expected to be paid by the Group based on guaranteed residual values

• the exercise price of purchase right, if it is reasonably certain that the Group will exercise this option, and

• the payment of penalty for the termination of the lease, if the lease term indicates the exercise of right of the Group to terminate the lease.

The initial measurement of the lease liability includes rents concerning extension rights, which is reasonably certain that they will be exercised. Rent payments are discounted using the interest rate included in the lease. If this interest rate cannot be directly determined, the lessee’s incremental borrowing rate of interest is used, that is, the interest rate that would be charged to the lessee, if it borrowed the necessary funds for the purchase of an asset of similar value with the asset with right of use, for a similar period, with similar guarantees and in a similar economic environment. The cost of the asset with right of use consists of: a. the amount of initial measurement of the liability from the lease, b. any rents that were paid on the date of commencement of the lease period or earlier, minus any lease incentives received, c. any initial direct expenses incurred by the lessee and d. estimation of the cost to be incurred by the lessee, in order to disassembly and remove the underlying asset, to restore the area where it had been installed or to restore the underlying asset at the condition provided for by the terms and conditions of the lease. Assets with right of use are depreciated according to the straight-line method with duration the shorter between the useful life of the asset and the lease term. Payments relating to short-term leases of equipment and vehicles and all leases of assets of low value are recognized according to the straight-line method as expense in the results. Short-term leases are leases with a twelve-month duration or less. Low value assets include IT equipment. Extension and termination rights are included in leases of real estate and equipment in the entire Group. These are used for the maximization of business flexibility regarding the management of assets used in the activities of the Group. Most of extension and termination rights exercised may be exercised only by the Group and not by the relevant lessor. b) Information on leases where the Group is the lessor: Lessors continue to classify leases as operating leases or finance leases. Income from operating leases, where the Group is the lessor, are recognized in the income statement according to the straight-line method during the lease term. Initial direct costs resulting from the acquisition of operating lease are added to the carrying amount of the asset and recognized as expense during the lease term on the same basis as revenue from lease. The corresponding leased assets are included in the financial position based on their nature.

### Lease accounting by the lessor

Where assets are leased under operating lease, the asset is included in the statement of financial position based on the nature of the asset. Income from rent is recognized under the terms of the lease according to the straight-line method.

### 2.23 Dividend distribution

Dividends of ordinary shares are recognised as a liability in the period in which the dividends are announced and approved by the General Meeting of Shareholders.

### 2.24 Earnings per share

Basic earnings per share are calculated by dividing the profit attributable to equity holders of the Parent Company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Company and held as treasury shares. Diluted earnings per share are calculated by dividing the net profit attributable to shareholders of the parent company by the weighted average number of ordinary shares outstanding during each year (adjusted with the effect of stock options).

### 2.25 Comparative information and roundings

The financial statement information of the year ended 31.12.2017 were used as comparative data for the presentation of the financial statements for the year ended 31.12.2018.

In order for the financial statements for the year ended on 31.12.2017 to be comparable to those of the current financial year, reclassifications have been made that have no effect on the Company's and the Group's equity or results.

### 2a. Changes in accounting principles

### 3. IFRS 16 “Leases”

As described in note 2.1 of accounting principles applied in the preparation of Financial Statements, the Group has applied for the first time IFRS 16 at 1 January 2019, using the modified retrospective approach. All changes occurring in the transition to IFRS 16 were recognized at 1 January 2019 as adjustments in the opening balance of the corresponding items of the Statement of Financial Position of the Group, without restating comparative figures.

Therefore, for the contracts that were previously classified as operating, lease payables were recognized in the current value of remaining rents, discounted by the applicable lessee’s incremental borrowing rate at 1.1.2019. The rights of use of assets were recognized at a value equal to lease payables adjusted to any advance payments that had been previously recognized.

The Group used the available practical facility during the transition to IFRS 16 regarding the ability of its non-reassessment, if a contract is or includes a lease.

In the implementation of IFRS 16, the Group has also selected to use the following practical facilities provided by the Standard on the date of initial implementation thereof:

(a) exclusion of the initial direct expenses in the measurement of the asset with right of use,

(b) instead of impairment audit, the Group was based on the evaluation made prior to the date of initial implementation of the Standard on whether leases are onerous, applying IAS 37 and

(c) use of knowledge acquired in the past for the determination of duration of the lease, where the contract includes a right of extension or termination of the lease.

(amounts in '000 EUR, unless otherwise stated)

(d) exclusion of leases with a remaining duration less than 12 months from the date of first implementation

(e) application of a single discount rate in contracts with similar characteristics

There were no onerous lease contracts which would require adjustment in the asset with right of use on the date of initial implementation. The average incremental borrowing rate of the Group amounted to 4% on the date of initial implementation.

For the contracts that had been previously classified as finance leases, the Group recognized rights of use of assets and lease payables in the carrying amount of fixed assets and finance leases that were recognized on 31.12.2018. The requirements of the new standard are applied on such leases as of 1.1.2019.

There was no significant impact on the results before tax of the Group and the Company. (Notes 2.1, 6.1 & 20)

**3. Financial risk management**

**3.1. Financial risk factors**

The Group is exposed to financial risks, such as market risks (foreign exchange risk, interest rate risk, price risk), credit risk and liquidity risk. The overall risk management policy of the Group focuses on the unpredictability of financial markets and aims to minimise their potential negative impact on the financial performance of the Group. The Group uses derivative financial instruments to hedge its exposure to specific risks.

Risk management is carried out by the central treasury department of the Group, which operates under specific rules approved by the Company's Board of Directors. The Board of Directors provides instructions and guidelines on general risk management, as well as specific guidelines for managing certain risks, such as foreign currency risk, interest rate risk and credit risk.

***(a) Market Risk***

(i) Foreign exchange risk

The Group operates in Europe and as a result the majority of the Group's transactions are denominated in euros. However, the Group also purchases merchandise in foreign currencies, mainly in US dollars. The timely payment of suppliers reduces significantly foreign exchange risk. In order to hedge exchange rate risk, the Group purchases foreign exchange in advance and enters into foreign exchange forward contracts with external counterparties.

More specifically, the Group's and the Company's exposure to foreign exchange risk at 31.12.2018 and 31.12.2017 is as follows:

| | GROUP | | | |
|---|---|---|---|---|
| | 31.12.2019 | | | |
| | **US $** | **Swiss Franc** | **Romanian RON** | **Total** |
| Receivables in foreign currency | 35 | 54 | 550 | 639 |
| Payables in foreign currency | 24 | - | 364 | 388 |
| | **59** | **54** | **914** | **1,027** |
| | 31.12.2018 | | | |
| | **US $** | **Swiss Franc** | **Romanian RON** | **Total** |
| Receivables in foreign currency | 17 | 327 | 867 | 1,211 |
| Payables in foreign currency | 108 | - | 173 | 281 |
| Total | **125** | **327** | **1,040** | **1,492** |

(amounts in '000 EUR, unless otherwise stated)

| | 31.12.2019 | | | |
|---|---|---|---|---|
| | **US $** | **Swiss Franc** | **Romanian RON** | **Total** |
| Receivables in foreign currency | 35 | 54 | - | 89 |
| Payables in foreign currency | 24 | 1 | - | 25 |
| Total | **59** | **55** | **-** | **114** |

| | 31.12.2018 | | | |
|---|---|---|---|---|
| | **US $** | **Swiss Franc** | **Romanian RON** | **Total** |
| Receivables in foreign currency | 17 | 327 | - | 344 |
| Payables in foreign currency | 108 | - | - | 108 |
| Total | **125** | **327** | **-** | **452** |

(ii) Price risk

The Group does not hold securities which are traded in active markets and as a result it is not exposed to securities price risk.

The Company's exposure to commodities price risk is immaterial.

(iii) Interest rate risk

The Group does not finance its working capital requirements with bank borrowings, thus it does not incur interest expenses. As a result, the Group is not affected significantly by interest rate fluctuations.

The Group's loan obligations include a bond loan agreement for the construction of a building. At the end of the previous year, the remaining loan balance of EUR 788 thousand was repaid, whereas during the current year essentially there is no outstanding loan liability.

As far as reserves in foreign currency are concerned, the Group's policy is to maintain the minimum amount necessary to cover current liabilities in each currency.

***(b) Credit risk***

The Company offers its services exclusively to well-known and reliable counterparties. According to the Company's and the Group's policy all customers who obtain services on credit are subject to credit rating procedures. To monitor customer credit risk, customers are grouped based on their industry, credit characteristics, receivables' ageing characteristics and any past issues regarding receivables collectability. Customers classified as "high risk" are categorised under a special customer category and future sales are paid in advance. Depending on the customer's history and status, the Group where deemed necessary obtains liens or other guarantees (e.g. letters of credit).

The Group recognises an impairment provision based on its estimates for losses associated with trade and other receivables. This provision comprises impairment losses concerning specific receivables which, according to given circumstances, are expected to be incurred but are not final yet. This provision is recognised as a reduction of "Trade and other receivables" in the balance sheet.

Regarding the credit risk arising from the placement of cash and cash equivalents, it is stressed that the Group cooperates exclusively with financial institutions with a high credit rating.

(amounts in '000 EUR, unless otherwise stated)

| Moody's Ratings | Balance |
|---|---|
| A1 | 4.530.448.72 |
| A2 | 632.241,17 |
| Aa3 | 1.101.779,85 |
| Baa1 | 230.956.29 |
| B3 | 20.328.82 |
| Caa1 | 4.394.652.52 |
| Caa2 | 79.515,91 |
| Caa3 | 745.996.87 |
| **Total** | **11.735.920.15** |

A relevant ageing analysis of the Group's and Company's receivables is included in Note 13.

***(c) Liquidity risk***

Each Group company prepares financial statements and submits them to Uni Systems Information Technology Systems Commercial S.M.S.A.on a quarterly basis for the preparation of cash flow forecasts, thus monitoring liquidity effectively at Group level.

Liquidity management is achieved by maintaining sufficient cash and credit limits with banks. The undrawn borrowing facilities available to the Group are sufficient to address any potential shortfall in cash.

More specifically, the Group's and the Company's financial liabilities are analysed based on their maturity as follows:

| | **GROUP** | | | | |
|---|---|---|---|---|---|
| **31.12.2019** | **<1 year** | **1-2 years** | **3-5 years** | **Over 5 years** | **Total** |
| Borrowings | - | - | - | - | - |
| Lease payable IFRS 16 | 1,009 | 997 | 2,300 | 1,282 | 5,588 |
| Trade and other payables | 53,191 | 9,134 | - | - | 62,325 |
| | **54,200** | **10,131** | **2,300** | **1,282** | **67,913** |

| **31.12.2018** | **<1 year** | **1-2 years** | **3-5 years** | **Over 5 years** | **Total** |
|---|---|---|---|---|---|
| Borrowings | 12 | - | - | - | 12 |
| Trade and other payables | 20,794 | 10,645 | - | - | 31,439 |
| | **20,806** | **10,645** | **-** | **-** | **31,451** |

| | **COMPANY** | | | | |
|---|---|---|---|---|---|
| **31.12.2019** | **<1 year** | **1-2 years** | **3-5 years** | **Over 5 years** | **Total** |
| Borrowings | - | - | - | - | - |
| Lease payable IFRS 16 | 942 | 950 | 2,234 | 1,282 | 5,408 |
| Trade and other payables | 52,391 | 9,021 | - | - | 61,412 |
| | **53,333** | **9,971** | **2,234** | **1,282** | **66,820** |

(amounts in '000 EUR, unless otherwise stated)

| **31.12.2018** | **<1 year** | **1-2 years** | **3-5 years** | **Over 5 years** | **Total** |
|---|---|---|---|---|---|
| Borrowings | 12 | - | - | - | 12 |
| Trade and other payables | 20,196 | 10,645 | - | - | 30,841 |
| | **20,208** | **10,645** | **-** | **-** | **30,853** |

***(d) Business cycle risk - Macroeconomic business environment in Greece***

Following the official exit of the country from the economic adjustment programme, the macroeconomic and financial environment in Greece showed signs of stabilisation, however, the current health crisis due to COVID-19 heightens uncertainty, while the Greek economy continues to be vulnerable to the fluctuations of the external environment. The Management continuously estimates the possible impact of any changes in the macroeconomic and financial environment in Greece, in order to ensure that all necessary actions and measures are taken to minimize any consequences in the activities of the Group. The Management cannot predict accurately the possible developments in the Greek economy, however, based on its evaluation, it has concluded that no significant provisions of impairment of financial and non-financial assets of the Group are required on 31 December 2019.

More specifically, the Group has considered and is confident regarding the following:

- Its ability to repay or refinance existing or future debt, as there is sufficient cash on the one hand, and the Group does not have borrowings liabilities, on the other hand.
- The recoverability of its trade receivables, given the rigorous credit policy applied and the credit insurance provided on a case-by-case basis.
- Its ability to retain a high sales turnover due to the diversity of its activities with a main focus on the provision of services to EU customers.
- The recoverability of the tangible and intangible assets' value, since the Group adjusts these values annually according to their fair value.

***(e) Non-financial risks***

In addition to the financial risks, the Group focuses on monitoring specific issues that have been identified as material for its sustainable development. These issues relate to full compliance with legislation and the implementation of corporate governance policies, human resources, the environmental impact of corporate activity, the supply chain and the growth of the companies within the market they operate.

**3.2 Capital risk management**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust its capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital risk on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital (equity and borrowed capital). Net debt is calculated as total borrowings (including current and non-current borrowings) less cash and cash equivalents.

The gearing ratios at 31 December 2019 and 2018 were as follows:

(amounts in '000 EUR, unless otherwise stated)

| | 31.12.2019 | 31.12.2018 |
|---|---|---|
| Total debt (Note 20) | - | 12 |
| Finance Lease Liability IFRS 16 | 5.588 | 5.784 |
| Less: Cash and cash equivalents (Note 14) | (11.745) | (7.797) |
| Net debt | (6.156) | (2.001) |
| Total equity | 26.473 | 27.653 |
| Total capital employed | 20.316 | 25.652 |
| **Gearing ratio** | **-30,30%** | **-7,80%** |

The change of the gearing ratio from -7,80% at 31.12.2018 to -30,30% at 31.12.2019

is a result of increased net cash equivalents as well as significantly lower equity.

**3.3 Fair value estimation**

The Group provides the required disclosures relating to fair value measurement through a three-level hierarchy.

- Financial instruments traded in active markets the fair value of which is estimated based on quoted market prices of similar assets and liabilities as of the reporting date ("Level 1").

- Financial instruments that are not traded in an active market the fair value of which is determined by using valuation techniques and assumptions which either directly or indirectly rely on observable market data as of the reporting date ("Level 2").

- Financial instruments that are not traded in an active market the fair value of which is determined by using valuation techniques and assumptions which do not rely on observable market data ("Level 3").

There were no transfers between levels 1 and 2 during the year.

**4. Critical accounting estimates and judgements made by Management**

Estimates and judgements made by Management are continuously reviewed and are based on historical data and expectations for future events which are considered reasonable under the current circumstances.

**4.1 Critical accounting estimates and assumptions**

The Group and the Company make estimates and assumptions concerning the future. These estimates and assumptions which involve a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next 12 months refer to:

**(a) Revenue recognition estimate from software development agreements**

The Group uses the percentage of completion method of IAS 15 in order to recognise revenue from construction contracts and the provision of services. This method calculates the percentage of completion of the project up to the relevant balance sheet date cumulatively, based on the percentage obtained by adjusting the invoiced revenue in relation to the total adjusted contractual price. Any possible adjustments of the total contractual cost and price are taken into account in the period during which these adjustments occur, whereupon the relevant amounts of cost and revenue are settled.

**(b) Income tax**

The Group operates through its subsidiaries in various countries, and its subsidiaries are subject to income tax according to the tax regime of each country. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. If the final outcome of the tax clearance or tax audit is different from the provision that was initially recognised, this difference will impact the income tax and the provision for deferred taxes for the reporting period.

**(c) Property, plant and equipment depreciation rates**

Property, plant and equipment of the Company is depreciated based on the assets' residual useful lives. The residual useful life of fixed assets is regularly assessed and adjusted as appropriate. The actual useful lives of fixed assets may be differ depending on factors, such as maintenance costs.

**(d) Provision for slow-moving and obsolete inventories**

The Management of the Group reviews the adequacy of the provision for slow-moving and obsolete inventories on a periodic basis. The provision for inventories that sit idle for a period of two to four years is calculated based on inventory ageing and past experience. For non-moving inventories for more than four years, a relevant provision is established equal to 100% of the inventories' acquisition cost.

**(e) Impairment of receivables**

Group Management regularly assesses the adequacy of the provision for doubtful receivables in conjunction with the credit policy and data from the Group's Legal Department, which arise from processing historical data and recent developments of the cases that are being handled.

**(f) Employee benefits**

The present value of pension benefits is based on a number of factors that are determined using actuarial methods and assumptions. Such an actuarial assumption is the discount rate used to calculate the cost of benefits. Any changes in these assumptions will alter the present value of the related liabilities in the statement of financial position.

The Group and the Company determine the appropriate discount rate at the end of each financial year. This is defined as the interest rate that should be used to determine the present value of future cash flows that are expected to be required to cover pension plan liabilities. To determine the appropriate discount rate, the interest rate of high-quality corporate bonds is used, which are converted into the currency in which the obligation will be paid, and whose expiry date is approaching that of the relevant pension obligations.

More specifically, the assumptions used are presented in Note 18.

**(g) Impairment of investments in subsidiaries and associates**

Investments in subsidiaries and associates are subject to impairment testing when certain events or changes in the circumstances suggest that their carrying value may not be recoverable. The impairment loss from investments is recognised in the statement of comprehensive income. Impairment loss on investments is incurred when the acquisition cost of the investment exceeds its carrying value.

**(h) Impairment of investment property**

The Company recognises assets as "Investment property" according to the provisions of IAS 40 "Investment property". The Company, taking into consideration the conditions in the real estate market, recognises an impairment in the value of the aforementioned investment when the present value is less that the property's acquisition cost. For this purpose the Company uses valuations by qualified valuers.

If there is an impairment, the expense is recognised under "Other gains/(losses)" in the Income Statement.

(amounts in '000 EUR, unless otherwise stated)

**5. Segment information**

Segment refers to a distinct component of the Group which concerns either the provision of services (business segment) or the provision of services to a specific economic environment (geographical segment), which is subject to risks and rewards that differ from other segments.

The Company's and the Group's registered offices are in Greece, where they also conduct their main business activity. The Group sells its products and services to customers in Greece as well as other countries in the EU.

Geographical segments of the Group are analysed as follows:

| | GROUP | | |
|---|---|---|---|
| | **Sales** | **Total assets** | **Property, plant and equipment and intangible assets** |
| | **1.1 -31.12.2019** | **31.12.2019** | **1.1 -31.12.2019** |
| Greece | 65,082 | 79,894 | 450 |
| Eurozone | 50,425 | 17,132 | 258 |
| Other countries | 728 | 894 | - |
| **Total** | **116,235** | **97,920** | **708** |

| | **Sales** | **Total assets** | **Property, plant and equipment and intangible assets** |
|---|---|---|---|
| | **1.1 -31.12.2018** | **31.12.2018** | **1.1 -31.12.2018** |
| Greece | 52,769 | 50,236 | 309 |
| Eurozone | 36,529 | 14,714 | 8 |
| Other countries | 907 | 886 | - |
| **Total** | **90,205** | **65,836** | **317** |

Sales categories are analysed as follows:

| | GROUP | |
|---|---|---|
| | **From 1 January to** | |
| | **31.12.2019** | **31.12.2018** |
| Sales of goods | 15,660 | 5,871 |
| Sales of services | 100,575 | 84,334 |
| Other | - | - |
| **Total** | **116,235** | **90,205** |

(amounts in '000 EUR, unless otherwise stated)

**6. Property, plant and equipment**

The property, plant and equipment of the Group and the Company are analysed as follows:

| | GROUP | | | | |
|---|---|---|---|---|---|
| | Land & Buildings | Vehicles & mechanical equipment | Furniture & fittings | PPE under construction | Total |
| **Cost** | | | | | |
| **1 January 2018** | **2,481** | **145** | **6,211** | **4,709** | **13,546** |
| Additions | 31 | - | 261 | | 292 |
| Disposals/ write-offs | - | (29) | (198) | - | (227) |
| Impairment | - | - | - | (750) | (750) |
| **31 December 2018** | **2,512** | **116** | **6,274** | **3,959** | **12,861** |
| **Accumulated depreciation** | | | | | |
| **1 January 2018** | **(184)** | **(135)** | **(5,292)** | **-** | **(5,611)** |
| Depreciation for the year | (44) | (3) | (402) | - | (449) |
| Disposals/ write-offs | - | 29 | 197 | - | 226 |
| **31 December 2018** | **(228)** | **(109)** | **(5,497)** | **-** | **(5,834)** |
| **1 January 2019** | **2,512** | **116** | **6,274** | **3,959** | **12,861** |
| Additions | 25 | - | 482 | | 507 |
| Disposals/ write-offs | (4) | (82) | (442) | - | (528) |
| Impairment | - | - | - | (700) | (700) |
| **31 December 2019** | **2,533** | **34** | **6,314** | **3,259** | **12,140** |
| **Accumulated depreciation** | | | | | |
| **1 January 2019** | **(228)** | **(109)** | **(5,497)** | **-** | **(5,834)** |
| Depreciation for the year | (42) | (2) | (299) | - | (343) |
| Disposals/ write-offs | 1 | 80 | 441 | - | 522 |
| **31 December 2019** | **(269)** | **(31)** | **(5,355)** | **-** | **(5,655)** |
| **Net book value at 31 December 2018** | **2,284** | **7** | **777** | **3,959** | **7,027** |
| **Net book value at 31 December 2019** | **2,264** | **3** | **959** | **3,259** | **6,485** |

(amounts in '000 EUR, unless otherwise stated)

| | COMPANY | | | | |
|---|---|---|---|---|---|
| | **Land & Buildings** | **Vehicles & mechanical equipment** | **Furniture & fittings** | **PPE under construction** | **Total** |
| **Cost** | | | | | |
| **1 January 2018** | **2,482** | **142** | **6,127** | **4,709** | **13,460** |
| Additions | 31 | - | 260 | - | 291 |
| Disposals/ write-offs | - | (28) | (198) | - | (226) |
| Impairment | - | - | - | (750) | (750) |
| **31 December 2018** | **2,513** | **114** | **6,189** | **3,959** | **12,775** |
| **Accumulated depreciation** | | | | | |
| **1 January 2018** | **(184)** | **(133)** | **(5,209)** | **-** | **(5,526)** |
| Depreciation for the year | (44) | (3) | (401) | - | (448) |
| Disposals/ write-offs | - | 29 | 197 | - | 226 |
| **31 December 2018** | **(228)** | **(107)** | **(5,413)** | **-** | **(5,748)** |
| **1 January 2019** | **2,513** | **114** | **6,189** | **3,959** | **12,775** |
| Additions | 24 | - | 482 | - | 506 |
| Disposals/ write-offs | (4) | (82) | (442) | - | (528) |
| Impairment | - | - | - | (700) | (700) |
| **31 December 2019** | **2,533** | **32** | **6,229** | **3,259** | **12,053** |
| **Accumulated depreciation** | | | | | |
| **1 January 2019** | **(228)** | **(107)** | **(5,413)** | **-** | **(5,748)** |
| Depreciation for the year | (42) | (2) | (298) | - | (342) |
| Disposals/ write-offs | 1 | 81 | 440 | - | 522 |
| **31 December 2019** | **(269)** | **(28)** | **(5,271)** | **-** | **(5,568)** |
| **Net book value at 31 December 2018** | **2,285** | **7** | **776** | **3,959** | **7,027** |
| **Net book value at 31 December 2019** | **2,264** | **4** | **958** | **3,259** | **6,485** |

The additions in the PPE of the Group in 2019 amounting to EUR 506 thousand mainly relate to the purchase of computers (EUR 219 thousand), furniture (EUR 17 thousand) and other equipment (EUR 52 thousand), and, in particular, for the development of the offices in Belgium (EUR 228 thousand). Correspondingly, the disposals/write-offs amounting to EUR 527 thousand mainly relate to the destruction/disposal, sale and donation of fully depreciated and obsolete: other equipment (A/C, etc.) EUR 236 thousand, telecommunications & machinery equipment EUR 79 thousand, computers EUR 200 thousand and vehicles EUR 4 thousand.

To finance the investment associated with the construction of the building in Kallithea, at 1 Kosmeridi-Kanakidi Street, which began in 2008, the Company issued a bond loan in 2012 amounting to EUR 2,100 thousand. The investment of 31.12.2019 amounts to EUR 5,718 thousand and is impaired by EUR 2,450 thousand to EUR 3,268 thousand. For this investment, the interest accrued in 2019 and 2018 was not capitalised. Also, during the current financial year, the Company recognised an impairment of PPE under construction of EUR 700 thousand.

In the financial year 2019, the Company calculated the value of right of use of leased buildings and cars, which are presented as quasi-assets, applying IFRS 16. It was also applied retrospectively for the calculation of net book value of such rights at 31.12.2018.

(amounts in '000 EUR, unless otherwise stated)

**6.1 Rights of use of assets**

**GROUP**

| | Land & Buildings | Cars | Total |
|---|---|---|---|
| **Cost** | | | |
| **1 January 2018** | **-** | **-** | **-** |
| Additions | - | - | - |
| Depreciation for the year | - | - | - |
| Early termination of contracts | | | |
| **31 December 2018** | **-** | **-** | **-** |
| **Net book value at 31 December 2018** | **5,062** | **1,135** | **6,197** |
| **1 January 2019** | **5,062** | **1,135** | **6,197** |
| Additions | 318 | 121 | 439 |
| Depreciation for the year | (782) | (336) | (1,118) |
| Early termination of contracts | (6) | (28) | (34) |
| **31 December 2019** | **4,592** | **892** | **5,484** |
| **Net book value at 31 December 2019** | **4,592** | **892** | **5,484** |

**COMPANY**

| | Land & Buildings | Cars | Total |
|---|---|---|---|
| **Cost** | | | |
| **1 January 2018** | **-** | **-** | **-** |
| Additions | - | - | - |
| Depreciation for the year | - | - | - |
| Early termination of contracts | | | |
| **31 December 2018** | **-** | **-** | **-** |
| **Net book value at 31 December 2018** | **5,022** | **919** | **5,941** |
| **1 January 2019** | **5,022** | **919** | **5,941** |
| Additions | 296 | 86 | 382 |
| Depreciation for the year | (733) | (276) | (1,009) |
| Early termination of contracts | - | (7) | (7) |
| **31 December 2019** | **4,585** | **722** | **5,307** |
| **Net book value at 31 December 2019** | **4,585** | **722** | **5,307** |

(amounts in '000 EUR, unless otherwise stated)

| Group<br>**Property, plant and equipment**<br>The depreciation of PPE & rights of use of assets is allocated by function as follows: | | Company<br>**Property, plant and equipment**<br>The depreciation of PPE & rights of use of assets is allocated by function as follows: | |
|---|---|---|---|
| Cost of sales | 1,216 | Cost of sales | 1,113 |
| Distribution costs | 110 | Distribution costs | 105 |
| Administrative expenses | 135 | Administrative expenses | 134 |
| | **1,461** | | **1,352** |

**7. Intangible assets**

| | GROUP | | | |
|---|---|---|---|---|
| | **Industrial property rights** | **Software** | **Other** | **Total** |
| **Cost** | | | | |
| **1 January 2018** | **1,139** | **2,706** | **2,372** | **6,217** |
| Additions | - | 21 | 5 | 26 |
| Impairment | - | (31) | - | (31) |
| **31 December 2018** | **1,139** | **2,696** | **2,377** | **6,212** |
| **Accumulated amortization** | | | | |
| **1 January 2018** | **(1,139)** | **(1,851)** | **(1,800)** | **(4,790)** |
| Amortization for the year | - | (190) | (434) | (624) |
| Impairment | -- | 31 | - | 31 |
| **31 December 2018** | **(1,139)** | **(2,010)** | **(2,234)** | **(5,383)** |
| **1 January 2019** | **1,139** | **2,696** | **2,377** | **6,212** |
| Additions | - | 201 | 1 | 202 |
| Impairment | 0 | - | (900) | (900) |
| **31 December 2019** | **1,139** | **2,897** | **1,478** | **5,514** |
| **Accumulated amortization** | | | | |
| **1 January 2019** | **(1,139)** | **(2,010)** | **(2,234)** | **(5,383)** |
| Amortization for the year | - | (230) | (141) | (371) |
| Impairment | 0 | - | 900 | 900 |
| **31 December 2019** | **(1,139)** | **(2,240)** | **1,474** | **(4,854)** |
| **Net book value at 31 December 2018** | **-** | **686** | **143** | **829** |
| **Net book value at 31 December 2019** | **-** | **657** | **3** | **660** |

(amounts in '000 EUR, unless otherwise stated)

**COMPANY**

| | Industrial property rights | Software | Other | Total |
|---|---|---|---|---|
| **Cost** | | | | |
| **1 January 2018** | **1,139** | **2,706** | **2,372** | **6,217** |
| Additions | - | 20 | | 20 |
| Impairment | - | (31) | - | (31) |
| **31 December 2018** | **1,139** | **2,695** | **2,372** | **6,206** |
| **Accumulated amortization** | | | | |
| **1 January 2018** | **(1,139)** | **(1,851)** | **(1,800)** | **(4,790)** |
| Amortization for the year | - | (190) | (432) | (622) |
| Impairment | -- | 31 | - | 31 |
| **31 December 2018** | **(1,139)** | **(2,010)** | **(2,232)** | **(5,381)** |
| **1 January 2019** | **1,139** | **2,695** | **2,372** | **6,206** |
| Additions | | 201 | - | 201 |
| Impairment | 0 | - | (900) | (900) |
| **31 December 2019** | **1,139** | **2,896** | **1,472** | **5,507** |
| **Accumulated amortization** | | | | |
| **1 January 2019** | **(1,139)** | **(2,010)** | **(2,232)** | **(5,381)** |
| Amortization for the year | - | (229) | (140) | (369) |
| Impairment | 0 | - | 900 | 900 |
| **31 December 2019** | **(1,139)** | **(2,239)** | **(1,472)** | **(4,850)** |
| **Net book value at 31 December 2018** | **-** | **685** | **140** | **825** |
| **Net book value at 31 December 2019** | **-** | **657** | **0** | **657** |

The impairment of intangible assets of the Group in 2019 amounting to EUR 900 thousand relates to the write-off of other intellectual property rights of the Company at 31.12.2019, which are no longer in force.

| **Group** | | **Company** | |
|---|---|---|---|
| **Intangible assets** | | **Intangible assets** | |
| The amortisation of intangible assets is allocated | | The amortisation of intangible assets is allocated | |
| by function as follows: | | by function as follows: | |
| Cost of sales | 314 | Cost of sales | 314 |
| Distribution costs | 28 | Distribution costs | 28 |
| Administrative expenses | 28 | Administrative expenses | 27 |
| | **370** | | **369** |

**8. Investment property (see Note 10 of financial statements of parent company)**

(amounts in '000 EUR, unless otherwise stated)

The movement in the investment property of the Group and the Company is as follows:

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **31.12.2019** | **31.12.2018** | **31.12.2019** | **31.12.2018** |
| **Cost** | | | | |
| **Opening balance** | 2,825 | 2,835 | 2,825 | 2,835 |
| **Changes in fair value** | (10) | (10) | (10) | (10) |
| **Balance at the end of the year** | **2,816** | **2,825** | **2,816** | **2,825** |

The amount of EUR 2,816 above relates to the impaired through profit or loss fair value of the property of the subsidiary Uni Systems in Athinon Avenue. The subsidiary acquired the above property in financial year 2006 with the initial objective to erect a building for the relocation of its offices. In financial year 2007, it was decided not to proceed with the construction of a new building in the property in question. Consequently, and given that the property is held for long-term increase of its value than for its sale in the near future, according to the respective provisions of IAS 40 "Investment property", it was transferred from plant, property and equipment to investment property in previous years.

**9. Investments in subsidiaries and associates**

- Investments in subsidiaries

The Company's investments in subsidiaries are as follows:

**31 December 2018**

| **Name** | **Cost of investment** | **Impairment** | **Prior year impairment** | **Value in the statement of financial position** | **Country** | **Interest held** |
|---|---|---|---|---|---|---|
| Unisystems Cyprus Limited | 2,104 | - | (2,005) | 99 | CYPRUS | 100.00% |
| Unisystems Netherlands BV | 1,061 | (25) | (936) | 100 | HOLLAND | 100.00% |
| Unisystems Luxembourg S.a.r.l. | 12 | - | - | 12 | LUXEMBOURG | 100.00% |
| | **3,177** | **(25)** | **(2,941)** | **211** | | |

(amounts in '000 EUR, unless otherwise stated)

**31 December 2019**

| **Name** | **Cost of investment** | **Impairment/write-off** | **Prior year impairment** | **Value in the statement of financial position** | **Country** | **Interest held** |
|---|---|---|---|---|---|---|
| Unisystems Cyprus Limited | 2,104 | - | (2,005) | 99 | CYPRUS | 100.00% |
| Unisystems Netherlands BV | 1,061 | (100) | (961) | - | HOLLAND | 100.00% |
| Unisystems Luxembourg S.a.r.l. | 312 | - | - | 312 | LUXEMBOURG | 100.00% |
| | **3,477** | **(100)** | **(2,966)** | **411** | | |

The above list contains only the direct investments of the Company in subsidiaries. In Note 33, a list of all direct and indirect interests of the Company in subsidiaries is provided.

In order to assess whether there is an impairment of investments in subsidiaries as at 31 December 2019, the Company performed relevant impairment tests. On 19.02.2018 Unisystems Turkey was dissolved, a company of the Unisystems B.V. sub-group. During the current financial year (24/12/2019), Unisystems Netherlands B.V. was also dissolved, with total impact on the results of the company EUR 100 thousand, as write-off of value of the statement of financial position 23-12-2019.

During 2019, the Company increased the share capital of the subsidiary Unisystems Luxembourg S.a.r.l. by the amount of EUR 300 thousand.

There are no subsidiaries with non-controlling interests.

- Investments in associates

| | **GROUP** | | **COMPANY** | |
|---|---|---|---|---|
| | **31.12.2019** | **31.12.2018** | **31.12.2019** | **31.12.2018** |
| **Balance at the beginning of the year** | **-** | **-** | **211** | **224** |
| Additions | - | - | 300 | 12 |
| Disposals/ write-offs | - | - | (100) | - |
| Impairment | - | - | - | (25) |
| **Balance at the end of year** | **-** | **-** | **411** | **211** |

The Company owns 40% of the share capital of ParkMobile Hellas S.A., established in 2006. The investment's acquisition cost at 31 December 2019 amounted to EUR 1,284 and is fully impaired. This company is under liquidation which is expected to be completed in 2020.

(amounts in '000 EUR, unless otherwise stated)

Below is presented information regarding the associate:

**31 December 2018**

| Name | Assets | Liabilities | Sales | Profit/(loss) | Interest held | Country |
|---|---|---|---|---|---|---|
| PARKMOBILE HELLAS SA | 437 | 736 | - | 33 | 40% | Greece |
| | **437** | **736** | **-** | **33** | | |

**31 December 2019**
**(Unpublished figures)**

| Name | Assets | Liabilities | Sales | Profit/(loss) | Interest held | Country |
|---|---|---|---|---|---|---|
| PARKMOBILE HELLAS SA | 432 | 736 | - | (6) | 40% | Greece |
| | **432** | **736** | **-** | **(6)** | | |

**10. Available-for-sale financial assets**

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **31.12.2019** | **31.12.2018** | **31.12.2019** | **31.12.2018** |
| **Balance at 1 January** | - | - | - | - |
| Additions | | | | |
| Disposals | - | - | - | - |
| Impairment | | | | |
| **Balance at the end of the year** | - | - | - | - |

Available-for-sale financial assets include non-listed shares and low risk mutual funds of countries in the European Union. Investments in unlisted shares are shown at cost less impairment.

The fair value of mutual funds is determined based on the current bid prices as of the reporting date.

The value of shares relates to Company's investments up to 40%. Nevertheless, the Company is not in position to exercise significant influence on them, as they are controlled by other shareholders either individually or collectively according to relevant agreements.

In the below table are presented shareholdings in companies classified as available-for-sale financial assets:

| COMPANY | COUNTRY | INTEREST HELD |
|---|---|---|
| 1. ITEC S.A. | GREECE | 34.00% |
| 2. CREATIVE MARKETING S.A. | GREECE | Deleted interest |
| 3. "ACROPOLIS S.A." TECHNOLOGICAL PARK | GREECE | 4.43% |
| 4. PROBANK S.A. under special liquidation | GREECE | 0.16% |
| 5. EPIRUS SCIENCE AND TECHNOLOGY PARK (E.TE.P.I.) | GREECE | 2.47% |

All the above shares are fully impaired.

(amounts in '000 EUR, unless otherwise stated)

In the current year, based on decision GE.MI. (Commercial Register) 66204.1/15 dated 7/09/2015 on the deletion of CREATIVE MARKETING SA, the Company proceeded to the deletion of such company from its books with registration date 31.12.2019. Such deletion had no impact on the results of the Company, as the interest had been fully impaired in the previous years.

**11. Deferred income tax**

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset the current tax assets against the current tax liabilities and when the deferred income taxes concern the same tax authority. The amounts offset are as follows:

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **31.12.2019** | **31.12.2018** | **31.12.2019** | **31.12.2018** |
| **Deferred tax assets:** | | | | |
| Recoverable after 12 months | **7,422** | **5,890** | **7,422** | **5,890** |
| **Deferred tax liabilities:** | | | | |
| To be settled after more than 12 months | **(4,956)** | **(2,878)** | **(4,956)** | **(2,878)** |
| | **2,466** | **3,012** | **2,466** | **3,012** |

The gross movement on the deferred income tax account is as follows:

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **31.12.2019** | **31.12.2018** | **31.12.2019** | **31.12.2018** |
| **Opening balance** | **3,012** | **3,504** | **3,012** | **3,504** |
| Recognized in the income statement (Note 25) | (518) | (530) | (518) | (530) |
| plus Tax directly in Movements in equity | (28) | 38 | (28) | 38 |
| **Balance at the end of the year** | **2,466** | **3,012** | **2,466** | **3,012** |

| | GROUP | | | |
|---|---|---|---|---|
| **Deferred tax liabilities:** | | | | |
| | **Accelerated tax depreciation** | **Fair value gains** | **Other** | **Total** |
| **1 January 2018** | **362** | **-** | **5,064** | **5,426** |
| Charged/(credited) in the income statement | (17) | - | (2,531) | (2,548) |
| **31 December 2018** | **345** | **-** | **2,533** | **2,878** |
| **1 January 2019** | **345** | **-** | **2,533** | **2,878** |
| Charged/(credited) in the income statement | 1,157 | - | 921 | 2,078 |
| **31 December 2019** | **1,502** | **-** | **3,454** | **4,956** |

(amounts in '000 EUR, unless otherwise stated)

**Deferred tax assets:**

| | Provision for receivables | Write-off of intangible assets | Tax losses | Revenue recognition | Other | Total |
|---|---|---|---|---|---|---|
| **1 January 2018** | **703** | **93** | **859** | **4,486** | **2,788** | **8,929** |
| Charged/(credited) to Equity | - | - | - | - | 37 | **37** |
| Charged/(credited) in the income statement | (113) | 68 | (291) | (2,304) | (436) | **(3,076)** |
| **31 December 2018** | **590** | **161** | **568** | **2,182** | **2,390** | **5,890** |
| **1 January 2019** | **590** | **161** | **568** | **2,182** | **2,390** | **5,890** |
| Charged/(credited) to Equity | - | - | - | - | (28) | **(28)** |
| Charged/(credited) in the income statement | (114) | (29) | (568) | 921 | 1,349 | **1,559** |
| **31 December 2019** | **476** | **132** | **-** | **3,103** | **3,711** | **7,422** |

**COMPANY**

**Deferred tax liabilities:**

| | Accelerated tax depreciation | Fair value gains | Other | Total |
|---|---|---|---|---|
| **1 January 2018** | **362** | **-** | **5,064** | **5,426** |
| Charged/(credited) in the income statement | (17) | - | (2,531) | (2,548) |
| **31 December 2018** | **345** | **-** | **2,533** | **2,878** |
| **1 January 2019** | **345** | **-** | **2,533** | **2,878** |
| Charged/(credited) in the income statement | 1,157 | - | 921 | 2,078 |
| **31 December 2019** | **1,502** | **-** | **3,454** | **4,956** |

**Deferred tax assets:**

| | Provision for receivables | Write-off of intangible assets | Tax losses | Revenue recognition | Other | Total |
|---|---|---|---|---|---|---|
| **1 January 2018** | **703** | **93** | **859** | **4.486** | **2.788** | **8.929** |
| Charged/(credited) to Equity | - | - | - | - | 37 | **37** |
| Charged/(credited) in the income statement | (113) | 68 | (291) | (2,304) | (436) | **(3,076)** |
| **31 December 2018** | **590** | **161** | **568** | **2,182** | **2,390** | **5,890** |
| **1 January 2019** | **590** | **161** | **568** | **2,182** | **2,390** | **5,890** |
| Charged/(credited) to Equity | - | - | - | - | (28) | **(28)** |
| Charged/(credited) in the income statement | (114) | (29) | (568) | 921 | 1,349 | **1,560** |
| **31 December 2019** | **476** | **132** | **-** | **3,103** | **3,711** | **7,422** |

(amounts in '000 EUR, unless otherwise stated)

The tax rate of 2020 (24%) has been used for the calculation of deferred tax.

**12. Inventory**

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **31.12.2019** | **31.12.2018** | **31.12.2019** | **31.12.2018** |
| Merchandise | 2,594 | 3,140 | 2,594 | 3,140 |
| Other | 153 | 169 | 153 | 169 |
| **Total** | **2,747** | **3,309** | **2,747** | **3,309** |
| Less: Provision for slow-moving inventory: | | | | |
| Merchandise | 1,973 | 2,151 | 1,973 | 2,151 |
| | **1,973** | **2,151** | **1,973** | **2,151** |
| **Net realisable value** | **774** | **1,158** | **774** | **1,158** |

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **31.12.2019** | **31.12.2018** | **31.12.2019** | **31.12.2018** |
| **Provision analysis** | | | | |
| At beginning of year | 2,151 | 1,741 | 2,151 | 1,741 |
| Provision formed during the year | 174 | 415 | 174 | 415 |
| Amount of provision used during the year | (352) | (5) | (352) | (5) |
| **At year end** | **1,973** | **2,151** | **1,973** | **2,151** |

The amounts of provision used of 352 thousand and 5 thousand in 2019 and 2018 respectively relate to the destruction of inventory of equal value.

**13. Trade and other receivables**

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **31.12.2019** | **31.12.2018** | **31.12.2019** | **31.12.2018** |
| Trade receivables | 15,106 | 16,731 | 14,431 | 16,143 |
| Less: Provision for impairment | (2,436) | (2,468) | (2,436) | (2,468) |
| **Trade receivables – net** | **12,670** | **14,263** | **11,995** | **13,675** |
| Prepayments | 34 | 35 | 34 | 34 |
| Deferred expenses | 33,546 | 11,019 | 33,408 | 11,014 |
| Accrued income | - | 5 | - | - |
| Other receivables | 436 | 380 | 374 | 332 |
| Receivables from related parties (Note 31) | 568 | 512 | 3,347 | 1,289 |
| **Total** | **47,254** | **26,214** | **49,158** | **26,344** |
| | | | | |
| Non-current assets | 211 | 215 | 202 | 212 |
| Current assets | 47,043 | 25,998 | 48,956 | 26,132 |
| | **47,254** | **26,213** | **49,158** | **26,344** |

The carrying amounts of the above receivables represent their fair values.

There are no significant past due but not impaired trade receivables for the Group and the Company at 31 December 2019.

The ageing analysis of the Group's and the Company's trade receivables as well as receivables from related parties is as follows:

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **31.12.2019** | **31.12.2018** | **31.12.2019** | **31.12.2018** |
| **Trade receivables and receivables from related parties - net** | **13,238** | **14,774** | **15,342** | **14,963** |
| **Not past due and not impaired trade receivables:** | **10,755** | **12,326** | **12,859** | **12,515** |
| **Impaired receivables from Not past due and not impaired receivables on the date of preparation of the financial statements:** | 2.436 | 2.468 | 2.436 | 2.468 |
| Provision recognised for the following amount: | (2,436) | (2,468) | (2,436) | (2,468) |
| **Total** | **-** | **-** | **-** | **-** |
| **Past due and impaired trade receivables are analysed as follows:** | | | | |
| Between 3 and 6 months | 423 | 348 | 423 | 348 |
| Between 6 and 12 months | 59 | 53 | 59 | 53 |
| More than 12 months | 2,001 | 2,047 | 2,001 | 2,047 |
| **Total** | **2,483** | **2,448** | **2,483** | **2,448** |

The movement in the provision for impairment of receivables is as follows:

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **31.12.2019** | **31.12.2018** | **31.12.2019** | **31.12.2018** |
| **Balance at the beginning of the year** | **2,468** | **2,424** | **2,468** | **2,424** |
| Provision for impairment of receivables | 90 | 362 | 90 | 362 |
| Write-off of receivables | - | - | - | - |
| Unused provisions | (122) | (318) | (122) | (318) |
| **Balance at the end of year** | **2,436** | **2,468** | **2,436** | **2,468** |

The provision for impairment of receivables for the year is included in the cost of sales.

Trade and other receivables are denominated in the following currencies:

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| Amounts in '000 EUR | **31.12.2019** | **31.12.2018** | **31.12.2019** | **31.12.2018** |
| Euro (€) | 46,615 | 25,269 | 49,068 | 26,000 |
| USD ($) | 35 | 17 | 35 | 17 |
| RON | 550 | 601 | - | - |
| Other (CHF,LEV,TL) | 54 | 326 | **54** | **327** |
| **Total** | **47,254** | **26,213** | **49,157** | **26,344** |

**14. Receivables/payables from contracts with customers**

**GROUP**

| | **31.12.2019** | | **31.12.2018** | |
|---|---|---|---|---|
| | **Assets** | **Liabilities** | **Assets** | **Liabilities** |
| Balance of contract asset / (contract liability) in the beginning of the year | 13,703 | 13,414 | 15,268 | 25.066 |
| **Amounts recognized in the Income Statement** | | | | |
| Income/(expenses) recognized during the year from the performance of contracts | 1,674 | 5,877 | (1,565) | (11,652) |
| Reclassifications to assets/liabilities | (261) | (2) | - | - |
| **Total** | **15,116** | **19,289** | **13,703** | **13,414** |
| Non-current assets | 130 | 4,503 | 1,535 | 10,593 |
| Current assets | 14,986 | 14,786 | 12,168 | 2,821 |
| | **15,116** | **19,289** | **13,703** | **13,414** |

Receivables/payables from contracts with customers are denominated in the following currencies:

| | **31.12.2019** | | **31.12.2018** | |
|---|---|---|---|---|
| Amounts in '000 EUR | **Assets** | **Liabilities** | **Assets** | **Liabilities** |
| Euro (€) | 14,978 | 19,160 | 13,436 | 13,338 |
| RON | 138 | 129 | 267 | 76 |
| **Total** | **15,116** | **19,289** | **13,703** | **13,414** |

**COMPANY**

| | **31.12.2019** | | **31.12.2018** | |
|---|---|---|---|---|
| | **Assets** | **Liabilities** | **Assets** | **Liabilities** |
| Balance of contract asset / (contract liability) in the beginning of the year | 13,168 | 13.338 | 15.094 | 24.859 |
| **Amounts recognized in the Income Statement** | | | | |
| Income/(expenses) recognized during the year from the performance of contracts | (266) | 5,822 | (1,926) | (11,521) |
| Reclassifications to assets/liabilities | - | - | - | - |
| **Total** | **12,902** | **19,160** | **13,168** | **13,338** |
| Non-current assets | 130 | 4,503 | 1,535 | 10,593 |
| Current assets | 12,772 | 14,657 | 11,633 | 2,745 |
| | **12,902** | **19,160** | **13,168** | **13,338** |

Receivables/payables from contracts with customers are denominated in the following currencies:

| | **31.12.2019** | | **31.12.2018** | |
|---|---|---|---|---|
| Amounts in '000 EUR | **Assets** | **Liabilities** | **Assets** | **Liabilities** |
| Euro (€) | 12,902 | 19,160 | 12,901 | 13,262 |
| RON | - | - | 267 | 76 |
| **Total** | **12,902** | **19,160** | **13,168** | **13,338** |

(amounts in '000 EUR, unless otherwise stated)

**15. Cash and cash equivalents**

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **31.12.2019** | **31.12.2018** | **31.12.2019** | **31.12.2018** |
| Cash in hand | 8 | 113 | 5 | 5 |
| Short-term bank deposits | 11,737 | 7,684 | 10,107 | 6,941 |
| **Total** | **11,745** | **7,797** | **10,112** | **6,946** |

Short-term bank deposits comprise sight and time deposits in Greece and abroad. Cash and cash equivalents are denominated in the following currencies:

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **31.12.2019** | **31.12.2018** | **31.12.2019** | **31.12.2018** |
| Euro (€) | 10,291 | 7,305 | 9,407 | 6,868 |
| USD ($) | 188 | 78 | 188 | 78 |
| RON | 749 | 414 | | |
| Other (LEV,TL) | 517 | - | 517 | - |
| **Total** | **11,745** | **7,797** | **10,112** | **6,946** |

**16. Share capital**

**Share capital and share premium**

Share capital is analysed as follows:

| | **Number of shares** | **Share value** | **Share premium** | **Total** |
|---|---|---|---|---|
| **1 January 2018** | **10,500** | **4,410** | **9,329** | **13,739** |
| Share capital decrease | - | - | - | - |
| Share capital increase | - | - | - | - |
| **31 December 2018** | **10,500** | **4,410** | **9,329** | **13,739** |
| **1 January 2019** | **10,500** | **4,410** | **9,329** | **13,739** |
| Share capital decrease with return in kind to QH | - | (2,015) | - | (2,015) |
| Increase of share capital by decrease of premium reserve | - | 2,100 | (2,100) | - |
| Capital duty 1% | - | - | (21) | (21) |
| **31 December 2019** | **15,500** | **4,495** | **7,308** | **11,703** |

By decision of the General Meeting of shareholders on 28/06/2019, which amended the Articles of Association, the Share Capital of the company was increased by two million one hundred thousand euros (EUR 2,100,00.00) with simultaneous decrease of the share premium account reserve, by increase in the total number of its shares to fifteen million five hundred thousand (15,500,000). Thus, the share capital of the company amounted to six million five hundred ten thousand euros (EUR 6,510,000.00), divided into fifteen million five hundred thousand shares (15,500,000) of a value of forty-two cents each (EUR 0.42).
Subsequently, a decrease of the share capital was decided by reimbursement to the sole shareholder Quest Holdings of the amount of two million fifteen thousand euros (EUR 2,015,000.00) by decrease of the nominal value of each share by thirteen cents (€0.13).
Thus, the share capital amounts to four million four hundred ninety-five thousand euros (4,495,000 €) and is divided into fifteen million five hundred thousand ordinary, registered shares (15,500,000) of a nominal value of twenty-nine cents (0.29€) each.”

(amounts in '000 EUR, unless otherwise stated)

**17. Other reserves and retained earnings**

Other reserves and retained earnings are analysed as follows:

| | GROUP | | |
|---|---|---|---|
| | **Statutory reserve** | **Other reserves** | **Total** |
| **Balance at 1 January 2018** | **3,645** | **33** | **3,678** |
| Changes during the year | - | 143 | 143 |
| **Balance at 31 December 2018** | **3,645** | **176** | **3,821** |
| Changes during the year | 13 | (21) | (8) |
| **Balance at 31 December 2019** | **3,658** | **155** | **3,813** |

| | COMPANY | | |
|---|---|---|---|
| | **Statutory reserve** | **Other reserves** | **Total** |
| **Balance at 1 January 2018** | **3,644** | **230** | **3,874** |
| Changes during the year | - | - | - |
| **Balance at 31 December 2018** | **3,644** | **230** | **3,874** |
| Changes during the year | - | - | - |
| **Balance at 31 December 2019** | **3,644** | **230** | **3,874** |

**Statutory reserve**

The statutory reserve is formed according to the provisions of c. Law 4548/2018, by retaining 5% of net profit after tax and before the distribution of dividends. The Company intends to form a statutory reserve equivalent to 1/3 of the paid up share capital which may not be used for any other purpose but to cover losses, according to a decision of the Annual General Meeting of shareholders. For financial years 2019 and 2018 no statutory reserve was formed, as the existing reserve covers 1/3 of the paid up share capital. Instead only a tiny amount of 13 million euros was formed for the subsidiary Unisystems Romania S.a.r.l.

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**Tax-free reserves**

The Group's and the Company's retained earnings include reserves governed by development laws. If they are distributed they will be taxed with the tax rate effective in the period in which they are distributed. The Group does not intend to distribute or capitalise these specific reserves, thus it has not prepared an assessment of the amount of income tax that would be charged in that case.

(amounts in '000 EUR, unless otherwise stated)

**18. Retirement benefit obligations**

According to law, employees are entitled to compensation in case of redundancy or retirement, the amount of which varies depending on the salary, the years of service and the reason for the termination of employment.

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **31.12.2019** | **31.12.2018** | **31.12.2019** | **31.12.2018** |
| **Balance sheet obligations for:** | | | | |
| Retirement benefits | 4,109 | 3,761 | 4,109 | 3,761 |
| **Total** | **4,109** | **3,761** | **4,109** | **3,761** |

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | From 1 January to | | From 1 January to | |
| | **31.12.2019** | **31.12.2018** | **31.12.2019** | **31.12.2018** |
| **Charged to the Statement of Comprehensive Income:** | | | | |
| Retirement benefits | 261 | 162 | 261 | 162 |
| **Total** | **261** | **162** | **261** | **162** |

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **31.12.2019** | **31.12.2018** | **31.12.2019** | **31.12.2018** |
| **Charged to the Statement of Other Comprehensive Income:** | | | | |
| Retirement benefits | 86 | 133 | 86 | 133 |
| **Total** | **86** | **133** | **86** | **133** |

The charge in the statement of comprehensive income is analysed as follows:

| | |
|---|---|
| Cost of sales: | 207 |
| Distribution costs: | 32 |
| Administrative costs: | 22 |
| | **261** |

The amounts recognised in the Balance Sheet are as follows:

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **31.12.2019** | **31.12.2018** | **31.12.2019** | **31.12.2018** |
| Present value of unfunded obligations | 4,109 | 3,761 | 4,109 | 3,761 |
| **Liability in the balance sheet** | **4,109** | **3,761** | **4,109** | **3,761** |

The amounts recognised in the income statement are as follows:

(amounts in '000 EUR, unless otherwise stated)

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | From 1 January to | | From 1 January to | |
| | **31.12.2019** | **31.12.2018** | **31.12.2019** | **31.12.2018** |
| Current service cost | 275 | 252 | 275 | 252 |
| Finance expenses/(income) | 117 | 59 | 117 | 59 |
| Curtailment/settlement/employment termination costs | (87) | (58) | (87) | (58) |
| Past service cost and (profit)/loss from settlements | (44) | (91) | (44) | (91) |
| **Total included in employee benefits (Note 22)** | **261** | **162** | **261** | **162** |

The change in the liability recognised in the balance sheet is as follows:

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **31.12.2019** | **31.12.2018** | **31.12.2019** | **31.12.2018** |
| Balance at the beginning of the year (adjusted) | 3,761 | 3,466 | 3,761 | 3,466 |
| Current service cost | 275 | 252 | 275 | 252 |
| Finance expenses/(income) | 117 | 59 | 117 | 59 |
| Benefits paid by the company | (44) | (91) | (44) | (91) |
| Curtailment/settlement/employment termination costs | (87) | (58) | (87) | (58) |
| Actuarial (gains)/losses from change in financial assumptions | 86 | 133 | 86 | 133 |
| **Balance at the end of year** | **4,109** | **3,761** | **4,109** | **3,761** |

The principal actuarial assumptions used were as follows:

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **31.12.2019** | **31.12.2018** | **31.12.2019** | **31.12.2018** |
| Discount rate | 0.80% | 1.70% | 0.80% | 1.70% |
| Inflation rate | 1.70% | 1.75% | 1.70% | 1.75% |
| Future salary increases | 1.70% | 1.75% | 1.70% | 1.75% |

**19. Trade and other payables**

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **31.12.2019** | **31.12.2018** | **31.12.2019** | **31.12.2018** |
| Trade payables | 7,240 | 7,114 | 6,698 | 6,718 |
| Amounts payable to related parties (Note 31) | 2,771 | 1,510 | 3,048 | 1,513 |
| Accrued expenses | 8,796 | 5,277 | 8,551 | 5,253 |
| Social insurance and other taxes - charges | 3,133 | 3,220 | 3,111 | 3,119 |
| Customer advance payments | 15,138 | | 15,138 | |
| Other payables | 370 | 903 | 298 | 900 |
| **Total** | **37,448** | **18,024** | **36,844** | **17,503** |

(amounts in '000 EUR, unless otherwise stated)

**Payables are analysed as follows:**

| | 31.12.2019 | 31.12.2018 | 31.12.2019 | 31.12.2018 |
|---|---|---|---|---|
| Non-current | 52 | 52 | 52 | 52 |
| Current | 37,396 | 17,972 | 36,792 | 17,451 |
| **Total** | **37,448** | **18,024** | **36,844** | **17,503** |

The credit payment terms provided to the Group are determined on a case-by-case basis and set out in the contracts signed with each supplier.

**20. Lease payables**

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **31.12.2019** | **31.12.2018** | **31.12.2019** | **31.12.2018** |
| Obligations from leases | 1,174 | 0 | 994 | 0 |
| Amounts due to related parties (Note 31) | 4,414 | 0 | 4,414 | 0 |
| **Total** | **5,588** | **0** | **5,408** | **0** |

**Analysis of obligations:**

| | 31.12.2019 | 31.12.2018 | 31.12.2019 | 31.12.2018 |
|---|---|---|---|---|
| Non-current | 4,563 | 0 | 4,450 | 0 |
| Current | 1,025 | 0 | 958 | 0 |
| **Total** | **5,588** | **0** | **5,408** | **0** |

**21. Borrowings**

**Borrowings are analysed as follows:**

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **31.12.2019** | **31.12.2018** | **31.12.2019** | **31.12.2018** |
| **Current borrowings** | | | | |
| Bank borrowings | - | 12 | - | 12 |
| **Total current borrowings** | **-** | **12** | **-** | **12** |
| Total borrowings | - | - | - | - |
| Total cash | (11,745) | (7,797) | (10,112) | (6,946) |
| **Net debt** | **(11,745)** | **(7,785)** | **(10,112)** | **(6,934)** |

(amounts in '000 EUR, unless otherwise stated)

The maturities of borrowings are as follows:

| | 6 months or less | 6-12 months | 1-5 years | Total |
|---|---|---|---|---|
| **31.12.2019** | | | | |
| Total borrowings | - | - | - | - |
| | **-** | **-** | **-** | **-** |
| **31.12.2018** | | | | |
| Total borrowings | 12 | - | - | 12 |
| | **12** | **-** | **-** | **12** |

- **Financial instruments**

**GROUP**

**31.12.2019**

| **Liabilities** | **< 1 year** | **1-5 years** |
|---|---|---|
| Borrowings | - | - |
| Trade and other payables | 53,208 | 9,118 |
| **Total** | **53,208** | **9,118** |

**31.12.2018**

| **Liabilities** | **< 1 year** | **1-5 years** |
|---|---|---|
| Borrowings | 12 | - |
| Trade and other payables | 20,794 | 10,645 |
| **Total** | **20,806** | **10,645** |

**COMPANY**

**31.12.2019**

| **Liabilities** | **< 1 year** | **1-5 years** |
|---|---|---|
| Borrowings | - | - |
| Trade and other payables | 52,407 | 9,005 |
| **Total** | **52,407** | **9,005** |

**31.12.2018**

| **Liabilities** | **< 1 year** | **1-5 years** |
|---|---|---|
| Borrowings | 12 | - |
| Trade and other payables | 20,196 | 10,645 |
| **Total** | **20,208** | **10,645** |

(amounts in '000 EUR, unless otherwise stated)

Borrowing balances are analysed in the following currencies:

| | 31.12.2019 | 31.12.2018 |
|---|---|---|
| Euro | - | 12 |
| | **-** | **12** |

**22. Expenses by nature**

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | From 1 January to | | From 1 January to | |
| | 31.12.2019 | 31.12.2018 | 31.12.2019 | 31.12.2018 |
| Employee benefits (Note 24) | 33,038 | 29,253 | 30,509 | 28,936 |
| Inventory cost recognized in cost of sales | 15,292 | 11,736 | 14,061 | 10,109 |
| Impairment-destruction of inventory | (179) | 415 | (179) | 415 |
| Impairment of receivables | (32) | - | (32) | - |
| Operating lease payments | 232 | 1,186 | 236 | 1,172 |
| Depreciation in rights of use of assets (IFRS 16) | 1,118 | - | 1,009 | |
| Depreciation of PPE | 353 | 458 | 353 | 457 |
| Amortization of intangible assets | 370 | 624 | 369 | 624 |
| Car leasing third-party benefits and insurance premiums | 792 | 1,073 | 791 | 1,072 |
| Advertising costs | 391 | 166 | 387 | 162 |
| Travel/transportation expenses | 1,891 | 1,842 | 1,811 | 1,834 |
| Third-party fees and expenses | 56,525 | 42,456 | 56,560 | 42,694 |
| Other (destruction of Intercompany exp. inventory) | 2,729 | 2,166 | 1,501 | 2,132 |
| **Total** | **112,520** | **91,375** | **107,376** | **89,607** |

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | From 1 January to | | From 1 January to | |
| **Split by function:** | 31.12.2019 | 31.12.2018 | 31.12.2019 | 31.12.2018 |
| Cost of sales | 99,089 | 79,216 | 94,484 | 77,676 |
| Distribution costs | 6,655 | 5,739 | 6,294 | 5,565 |
| Administrative expenses | 6,776 | 6,419 | 6,598 | 6,366 |
| | **112,520** | **91,374** | **107,376** | **89,607** |

**23. Employee benefits**

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | From 1 January to | | From 1 January to | |
| | 31.12.2019 | 31.12.2018 | 31.12.2019 | 31.12.2018 |
| Wages and salaries | 24,966 | 22,130 | 22,781 | 21,847 |
| Social security expenses | 5,724 | 5,191 | 5,380 | 5,157 |
| Cost of defined benefit plans (Note 18) | 275 | 253 | 275 | 253 |
| Benefits paid (Note 18) | (44) | (91) | (44) | (91) |
| Other employee benefits | 2,117 | 1,770 | 2,117 | 1,770 |
| **Total** | **33,038** | **29,253** | **30,509** | **28,936** |

(amounts in '000 EUR, unless otherwise stated)

The numbers of employees at 31 December 2019 were as follows: Group 660, Company 614 (31 December 2018: Group 632, Company 605).

**24. Other income/(expenses) - Other gains/(losses)**

Other gains/(losses) are analysed as follows:

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | From 1 January to | | From 1 January to | |
| | 31.12.2019 | 31.12.2018 | 31.12.2019 | 31.12.2018 |
| Grants covering costs | 47 | 157 | 47 | 157 |
| Gains/(losses) from the disposal & write-off of PPE | (4) | 2 | (4) | 2 |
| Impairment loss on investments in related parties (Note 9) | - | - | (15) | (25) |
| Impairment of property, plant and equipment (Note 6) | (700) | (750) | (700) | (750) |
| Other (favourable outcome of legal cases) | (16) | 2,587 | (8) | 2,598 |
| **Total** | **(673)** | **1,996** | **(680)** | **1,982** |

The amount of EUR 2,583 from the amount of EUR 2,587 for 2018 is a collection following vindication in a long-term legal case.

**25. Finance income/(expenses)**

The financial results are analysed as follows:

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | From 1 January to | | From 1 January to | |
| | 31.12.2019 | 31.12.2018 | 31.12.2019 | 31.12.2018 |
| **Finance cost** | | | | |
| - Bank borrowings | (346) | (57) | (346) | (57) |
| - Interest on customer advances | (68) | (34) | (62) | (27) |
| - Finance leases | (82) | (112) | (82) | (112) |
| - Operating leases | (235) | | (227) | |
| - Commissions paid for letters of guarantee | (114) | (110) | (114) | (110) |
| - Foreign exchange losses | (29) | (13) | (20) | (6) |
| | (872) | (326) | (851) | (312) |
| **Finance income** | | | | |
| - Interest income from bank deposits | 47 | 42 | 46 | 42 |
| - Foreign exchange gains | 192 | - | 192 | - |
| | 239 | 42 | 238 | 42 |
| | **(634)** | **(284)** | **(611)** | **(270)** |

(amounts in '000 EUR, unless otherwise stated)

**26. Income tax**

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | From 1 January to | | From 1 January to | |
| | **31.12.2019** | **31.12.2018** | **31.12.2019** | **31.12.2018** |
| Current tax | (999) | (164) | (959) | (140) |
| Deferred income tax (Note 11) | (518) | (530) | (518) | (530) |
| **Total** | **(1,517)** | **(694)** | **(1,477)** | **(670)** |

The Company's current income tax has been calculated based on the tax rate applicable for financial year 2019, i.e. 24% (2018: 29%). As far as foreign Group subsidiaries are concerned, current income tax charge is calculated using the applicable local tax rates: Luxembourg 21%, Cyprus 12.50%, Romania 16%, Belgium 29.58%, The Netherlands 25%,

The Group's and the Company's tax on profit before tax differs from the theoretical amount that would arise using the weighted average tax rate on the profits/losses of the consolidated companies, as follows:

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | From 1 January to | | From 1 January to | |
| | **31.12.2019** | **31.12.2018** | **31.12.2019** | **31.12.2018** |
| **Profit before tax** | 2,408 | 541 | 2,087 | 482 |
| Tax calculated at domestic tax rates applicable to profits | (672) | (222) | (577) | (169) |
| Expenses not deductible for tax purposes | (640) | (1,252) | (644) | (1,279) |
| Income not subject to tax | 540 | 720 | 546 | 718 |
| Use of previously unrecognised losses | 647 | 877 | 647 | 877 |
| Other taxes/other tax adjustments | (1,392) | (817) | (1,449) | (817) |
| **Total** | **(1,517)** | **(694)** | **(1,477)** | **(670)** |

Tax Compliance Report

From financial year 2011 onwards, companies are subject to annual tax audits by their statutory auditors regarding their compliance with the provisions of the applicable tax legislation. The outcome of such a tax audit results in the issue of a tax certificate, which, if the relevant conditions are met, substitutes the tax audit performed by the public tax authority. However, tax liabilities are not considered final for the audited financial years and the public tax authority retains the right to conduct additional tax audits. The Company was audited by its certified auditors and received a tax certificate for financial years 2011 - 2018.
The Company is currently tax audited for financial year 2019 by PricewaterhouseCoopers SA. Management does not expect any significant tax liabilities upon completion of the tax audit other than those recorded and presented in the financial statements.

The financial years for which the Company and its subsidiaries have not been audited and, therefore, the tax liabilities have not been finalised are presented in Note 33.

(amounts in '000 EUR, unless otherwise stated)

**27. Cash flows from operating activities**

| | | GROUP | | COMPANY | |
|---|---|---|---|---|---|
| | | From 1 January to | | From 1 January to | |
| | **Note** | **31.12.2019** | **31.12.2018** | **31.12.2019** | **31.12.2018** |
| Profit after tax for the year | | 891 | (153) | 610 | (188) |
| *Adjustments for:* | | | | | |
| Income tax | 26 | 1,517 | 694 | 1,477 | 670 |
| Depreciation of PPE | 6.8 | 353 | 458 | 353 | 457 |
| Impairment of property, plant and equipment | 6 | 700 | 750 | 700 | 750 |
| Amortisation of intangible assets | 7 | 370 | 624 | 369 | 623 |
| Amortization of rights of use of assets IFRS 6 | 8 | 1,118 | | 1,009 | |
| Loss/(profit) on sale of PPE and other investments | 24 | 4 | 2 | 4 | 2 |
| Interest income | 25 | (239) | (41) | (239) | (42) |
| Interest expenses | 25 | 873 | 328 | 860 | 315 |
| Dividend income & impairments | 24 | 53 | - | 53 | 25 |
| Foreign exchange (gains)/losses | | (4) | (31) | 2 | (3) |
| Income/(expenses) from equity transactions | | - | (1,745) | - | (1,745) |
| Proceeds from government grants | | (44) | (148) | (44) | (148) |
| | | **5,592** | **736** | **5,154** | **716** |
| **Changes in working capital from operating activities** | | | | | |
| (Increase)/decrease in inventories | | 562 | 420 | 562 | 420 |
| (Increase)/decrease in receivables | | (18,732) | 4,323 | (23,204) | 4,193 |
| Increase/(decrease) in payables | | 9,847 | 13,833 | 10,660 | 13,578 |
| Increase/(decrease) in provisions | | 10,700 | (17,653) | 14,182 | (17,653) |
| Increase/(decrease) in retirement benefit obligations | | 347 | 295 | 347 | 295 |
| | | **2,724** | **1,218** | **2,547** | **833** |
| **Cash flows from operating activities** | | **8,316** | **1,954** | **7,701** | **1,549** |

**28. Earnings per share**

### Basic and diluted

Basic and diluted earnings per share are calculated by dividing the profit attributable to the shareholders of the parent company by the weighted average number of ordinary shares in issue during the year excluding any ordinary shares purchased by the Company.

(amounts in '000 EUR, unless otherwise stated)

Ordinary shares that are issued as part of the cost of a business combination are included in the weighted average number of shares from the date of acquisition. That is because the acquirer consolidates the profits and losses of the acquiree in the income statement from that date onwards.

*Amounts in €*

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **31.12.2019** | **31.12.2018** | **31.12.2019** | **31.12.2018** |
| Profit after tax | 890,995 | (153,102) | 609,828 | (188,201) |
| Profit attributable to equity holders of the parent company | 890,995 | (153,102) | 609,828 | (188,201) |
| Weighted average number of ordinary shares in issue | 15,500,000 | 10,500,000 | 15,500,000 | 10,500,000 |
| Basic and diluted earnings/(losses) per share (€ per share) | **(0.0575)** | **(0.0146)** | **(0.0393)** | **(0.0179)** |

**29. Commitments**

**Capital commitments**

At the date of preparation of the annual financial statements, there is no significant capital expenditure that has been assumed but not yet incurred.

**30. Contingent assets and liabilities**

The Group and the Company have contingent liabilities and assets associated with banks and other guarantees and other matters arising in the ordinary course of business from which no additional charges are expected to arise.

Contingent liabilities are analysed as follows:

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **31.12.2019** | **31.12.2018** | **31.12.2019** | **31.12.2018** |
| Guarantees for advances received | 1,653 | 1,038 | 1,653 | 1,038 |
| Guarantees for good performance | 4,849 | 3,600 | 4,849 | 3,600 |
| Guarantees for participation in tenders | 546 | 1,791 | 546 | 1,791 |
| | **7,048** | **6,429** | **7,048** | **6,429** |

(amounts in '000 EUR, unless otherwise stated)

Contingent assets are analysed as follows:

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **31.12.2019** | **31.12.2018** | **31.12.2019** | **31.12.2018** |
| Guarantees received for securing trade receivables | 50 | 37 | 50 | 37 |
| | **50** | **37** | **50** | **37** |

The Company's and the Group's tax liabilities are not considered final as there are still unaudited tax years (Note 32).

At 31 December 2019, there were no outstanding legal cases or disputes subject to arbitration resulting to significant contingent liabilities.

### 31. Encumbrances

There are no guarantees to banks for subsidiaries and associates of the Group. However, in the event that a loan is required, it will be guaranteed by the Company. There are no additional mortgages and prenotations on the Company's and the Group's land and buildings apart from those mentioned in Notes 20 and 29.

### 32. Transactions with related parties

Transactions with related parties are as follows:

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | From 1 January to | | From 1 January to | |
| | **31.12.2019** | **31.12.2018** | **31.12.2019** | **31.12.2018** |
| **i) Sales of goods and services** | | | | |
| **Sales of goods** | **122** | **243** | **122** | **243** |
| to the parent | - | - | - | - |
| to subsidiaries | - | - | - | - |
| to associates | - | - | - | - |
| to other related parties | 122 | 243 | 122 | 243 |
| **Provision of services** | **1,528** | **1,372** | **4,424** | **1,913** |
| to the parent | 34 | 32 | 34 | 32 |
| to subsidiaries | - | - | 223 | 328 |
| to associates | - | - | - | - |
| to other related parties | 1,494 | 1,340 | 4,167 | 1,553 |
| | **1,650** | **1,615** | **4,546** | **2,156** |
| **ii) Purchases of goods and services** | | | | |
| **Purchases of goods** | **2,218** | **1,874** | **2,218** | **1,874** |
| from the parent | - | - | - | - |
| from subsidiaries | - | - | - | - |
| from other related parties | 2,218 | 1,874 | 2,218 | 1,874 |
| **Purchases of services** | **4,401** | **1,916** | **6,865** | **1,919** |
| from the parent | 497 | 493 | 497 | 493 |
| from subsidiaries | | - | 155 | - |
| from associates | - | - | - | - |
| from other related parties | 3,904 | 1,423 | 6,213 | 1,426 |
| **Purchases of PPE** | **-** | **-** | **-** | **-** |
| from the parent | - | - | - | - |
| from subsidiaries | - | - | - | - |

| | | | | |
|---|---|---|---|---|
| from associates | - | - | - | - |
| from other related parties | - | - | - | - |
| | | | | |
| **Rental expenses** | **747** | **740** | **747** | **740** |
| from the parent | - | - | - | - |
| from subsidiaries | - | - | - | - |
| from associates | - | - | - | - |
| from other related parties | 747 | 740 | 747 | 740 |
| | **7,366** | **4,530** | **9,830** | **4,533** |

**iii) Key management compensation**

| | | | | |
|---|---|---|---|---|
| Salaries and other short-term employee benefits | 305 | 302 | 305 | 302 |
| Benefits for termination of employment | - | - | - | - |
| Other non-current benefits | - | - | - | - |
| | **305** | **302** | **305** | **302** |

**iv) Year-end balances arising from sales-purchases of goods/services**

| | **GROUP** | | **COMPANY** | |
|---|---|---|---|---|
| | **31.12.2019** | **31.12.2018** | **31.12.2019** | **31.12.2018** |
| Receivables from related parties: | | | | |
| -Parent | - | - | - | - |
| -Subsidiaries | - | - | 125 | 365 |
| -Other related parties | 568 | 511 | 3,223 | 923 |
| | **568** | **511** | **3,348** | **1,288** |
| | | | | |
| Payables to related parties: | | | | |
| -Parent | 94 | 96 | 94 | 96 |
| -Subsidiaries | - | - | 155 | - |
| -Associates | - | - | - | - |
| -Other related parties | 2,677 | 1,414 | 2,799 | 1,417 |
| | **2,771** | **1,510** | **3,048** | **1,513** |

Services supplied by and to related parties, as well as sales and purchases of goods are carried out in accordance with the price lists applicable for third parties.

**33. Unaudited tax years**

The Company has not been tax audited by the competent tax authorities for the financial year 2010. At 27.12.2016 the Company received an audit order for financial year 2010.

However, pursuant to the applicable tax provisions: (a) par. 1 of Article 84 of Law 2238/1994 (unaudited income tax cases), (b) par. 1 of Article 57 of Law 2859/2000 (unaudited VAT cases and (c) par. 5 of Article 9 of Law 2523/1997 (imposition of fines for income tax cases), the statute of limitations for fiscal years up to 2011 expired on 31/12/2018, with the reservation of special or exceptional provisions which provide for a longer limitation period and under the conditions set by them.

However, according to its decision No 1738/14.07.2017, the Council of State, after examining the constitutionality of the continuous extensions of the tax limitation period and various deliberations concerning the violation of the 5-year limitation period or the discriminating treatment of taxpayers due to the issue of audit orders by various audit authorities, found that:

"In view of the evidence and the deliberations set out under paragraphs 5 and 6, the provisions included in the eighth paragraph are contrary to the provisions that elaborate on the principle of legal certainty (derived from the rule of law principle) of paragraphs 1 and 2 of Article 78 of the Constitution, as they extend the limitation period for State tax claims to calendar years prior to the years that the relevant laws were published."

(amounts in '000 EUR, unless otherwise stated)

Moreover, according to settled case-law of the Council of State and the Administrative Courts, in lack of a provision for a limitation period in the Code of Laws on Stamp Duty, the relevant State's claim for stamp duty is subject to a twenty-year limitation period according to art. 249 of the Civil Code.

Under audit order No 252/0/1118 of 12.07.2017 issued by the Audit Authority for Large Businesses, a partial audit of the Company has commenced for financial year 2012, including all tax items which, according to the order and the relevant legal provisions it invokes, can be extended up to 31.12.2022.

The financial years for which the Company and its subsidiaries have not been audited and, therefore, their tax liabilities for these years have not been finalised, are presented below.

The cumulative provision for unaudited tax years for the Group amounts to EUR 383 thousand.

| **Group companies** | **Country** | **Interest held (%)** | **Consolidation method** | **Unaudited tax years** |
|---|---|---|---|---|
| 1. Uni Systems Information Technology Systems Commercial S.M.S.A. | GREECE | - | - | 2010 |
| 1.a Unisystems Belgium SA (branch) | BELGIUM | - | Full consolidation | 2014-2019 |
| 2. Unisystems Cyprus Ltd | CYPRUS | 100% | Full consolidation | 2012-2019 |
| 2.a. Unisystems Information Technology Systems SRL | ROMANIA | 100% | Full consolidation | - |
| 2.b. Unisystems Bulgaria Ltd (liquidated in 2015) | BULGARIA | 100% | Full consolidation | - |
| 3. Unisystems BV | HOLLAND | 100% | Full consolidation | -(liquidated in 2019) |
| 3.a. UNISYSTEMS TURK BİLGİ TEKNOLOJİLERİ AS (filed a liquidation petition on 21/2/2018 with the Istanbul Commercial Registry) | TURKEY | 100% | Full consolidation | 2014-2019 |
| 4. Uni-Nortel Communication Technologies (Hellas) SA | GREECE | - | Absorbed in 2010 | 2010 |
| 5. FAST HELLAS SA | GREECE | - | Absorbed in 2010 | 2010-2011 |

The company has paid the following amounts to statutory auditors for tax certificate and audit of its annual financial statements:

| Audit fees | 2019 | 2018 |
|---|---|---|
| Tax Certificate (PwC) | 35 | 35 |
| Audit of financial statements (PwC) | 49 | 49 |

**34. Events after the reporting date**

The prevailing situation in the recent period due to the sudden global appearance of the pandemic due to coronavirus covid19 gives rise to serious concern for the Greek economy and, consequently, for the financial performance of Uni Systems Group.

Unfortunately, the crisis has overturned all predictions. Any prediction is unfortunately very risky at this phase as we do not know the duration and intensity of the crisis.

The Company, in compliance with the general directions of the authorities, has adopted almost full transition of its operations to teleworking and puts its efforts to serve its customers in the best possible way. At the moment, the large customers of the Company are not included in businesses that have been closed or are underperforming (e.g. food and drink, education, hotels, tourism). Thus, at the moment, the projects existing in Greece and abroad are continuing without obstructions.

It is obvious that the difficult macroeconomic conditions developing in Greece and abroad shall significantly affect all economic activity. The current developing economic context makes difficult to predict on estimated financial figures in the sectors where the Company and the Group are active for 2020

Kallithea, 30 March 2020

| | | | |
|---|---|---|---|
| The Chairman of the Board of Directors & Chief Executive Officer | The Vice Chairman | The Member of the Board of Directors | The Accounting Department Manager |
| Ioannis K. Loumakis | Apostolos M. Georgantzis | Markos G. Bitsakos | Nikolaos D. Charisis |
| ID No AK 082270 | ID No Φ 090096 | ID No AA 079768 | ID No AH101374 |
| | | | Accounting Licence No: 0008340 - Class A |

# Uni Systems Information Technology Systems Commercial S.M.S.A.

## Report to the Board of Directors
## to the Annual General Meeting of Shareholders
## on the consolidated and separate Financial Statements for the financial year 2019

## (from 1 January 2019 to 31 December 2019)

**Kallithea, March 2020**

Dear Shareholders,

We have the honour to submit to you the consolidated and separate financial statements of Uni Systems Information Technology Systems Commercial S.M.S.A. (Company and Group) for financial year 2019 for your approval and to provide you with the following explanatory information.

The Report lays out the main trends and factors that support growth, profitability and position of the Company's and the Group's business activities during the reporting period ended 31 December 2019, as well as the main trends and factors that may affect the future growth, profitability and financial position of the entity.

The scope of the Board of Directors' Report is to provide information that will help the users of the Financial Statements to understand and assess the financial statements in the context of the environment in which the entity operates, to evaluate the most important business issues according to the Management, the manner in which they intend to manage them and the strategies adopted by the entity and their feasibility.

This Report includes additional clarifications concerning the amounts reported in the Financial Statements, where necessary, and analyses the conditions and facts on the basis of which the information presented in the financial statements was derived.

This Report was prepared in accordance with the terms and conditions set out in Articles 150 and 153 of Law 4548/2018, as in force, and given that the Company prepares separate and consolidated financial statements, it is unified, however its key and primary point of reference is the consolidated financial data of the Company, of its subsidiaries and associates. In the analysis that follows, non-consolidated financial data is referred to by the Board of Directors as appropriate or necessary in order to clarify the content of this Report.

At 31 December 2019, "Uni Systems Information Technology Systems Commercial S.M.S.A." Group was composed of the following companies:

| Consolidated companies | Interest held (%) | Type of interest held | Consolidation method |
|---|---|---|---|
| Uni Systems Information Technology Systems Commercial S.M.S.A. | Parent | Parent | Full |
| Unisystems Cyprus Ltd (ex-Info Quest Cyprus Ltd) | 100.00% | Direct | Full |
| Unisystems Information Technology Systems SRL (Romania) | 100.00% | Indirect | Full |
| Unisystems Luxembourg S.a.r.l. | 100.00% | Direct | Full |
| ParkMobile Hellas SA | 40.00% | Direct | Equity |

**Scope of activities**

The Group operates in the field of information technology and technological applications and each company has a distinct role in the context of its operation:

The parent company **Uni Systems S.M.S.A.** ("Company" or "Uni Systems") operates mainly in the provision of system integration services and the performance of large-scale projects in specific market segments. Offered solutions include the development or conversion of business applications, the provision of specialised services in the field of information technology and technological applications and the provision of a wide range of services, such as installation and support of hardware and software, installation and support of data and voice transmission networks, development of vertical software solutions for banking, public and telecommunication sectors, provision of a full range of technical support for hardware and software nationwide and around the clock, the provision of training and consulting services and outsourcing. Moreover, the Company provides innovative services to its customers, such as collocation, hosting, managed services, cloud (IaaS, PaaS, SaaS), through its privately owned Data Centre.

The Company is a key partner of several large foreign companies, such as UNISYS, DELL EMC, ORACLE, CISCO, MICROSOFT, HP, CITRIX, REDHAT, GENESYS, etc. in Greece, which adds a significant advantage to the solutions offered.

## Development of existing activities

### i) Sales and distribution network

Uni Systems sales are supported by independent business units (BUs) that are addressed to the financial, public, private and telecommunications sectors and are staffed by highly trained employees who are specialised in the technological solutions offered and the specific business needs of each vertical market. There is also an independent business unit for the foreign markets in which the company operates.

Uni Systems recorded sales growth of 29% in 2019 and generated a total revenue of EUR 116 million compared to EUR 90 million in 2018. Growth came from both foreign markets by 39% (from EUR 36 million in 2018 to EUR 51 million in 2019), and from the domestic marker, which after many years had an increase of 22% (from EUR 53 million in 2018 to EUR 65 million in 2019).

Among the Company's domestic clientèle are many leading and dynamic companies and organisations, including Alpha Bank Group in Greece and abroad, EFG Eurobank Ergasias Group, the Bank of Greece, the Hellenic Exchanges Group, the National Bank of Greece, Piraeus Bank, Cosmote Group, Vodafone, WIND, the Ministry of Finance, the Ministry of Interior, the Ministry of Education, the Social Insurance Fund (IKA), the National Organisation for the Provision of Health Services (EOPYY), the Ministry of Justice, the Supreme Council for Civil Personnel Selection (ASEP), the Council of State, Cadastre SA, First Data Hellas, AIA, ELPE (Hellenic Petroleum), ICAP, Angelicoussis Shipping Group, the National Library, the National Museum of Modern Art, etc.

Sales are mainly promoted by the Company's headquarters for all the geographical segments in which the Company and the Group operate. Since the Company's main activity is system integration and the services offered are mainly addressed to corporate customers, the development of a distribution network is not necessary.

**Uni Systems,** through its branch in Belgium, runs major IT projects for various organisations and agencies of the European Union in cooperation with leading European companies. In 2018, the Company established a subsidiary company in Luxembourg in order to better serve its customer base. It also set up a branch, of its Luxembourg subsidiary, in Italy to support new projects in the region of Northern Italy, which it utilised in 2019 by increasing its presence in these two countries. Uni Systems has established a subsidiary in Romania to provide integrated solutions to the subsidiaries of Greek companies, foreign multinational corporations and large local companies. The Romanian market has recorded significant growth in recent years.

**ii) Development of existing activities**

During 2019, the Company continued to invest in the expansion of DATA CENTER and CLOUD COMPUTING services. It has already developed and promoted innovative CLOUD COMPUTING services (IasS, PaaS and AaaS) under the trade name UNI | CLOUD.

In 2019, the Company continued dynamically the development of innovation and research activity. To this end, it participated in 35 research proposals in Greece and abroad, of a total budget of EUR 91 million. It, also, submitted proposals and participations in various innovation clusters. Regarding innovation, it is focused on the following technological areas: Big Data Analytics, IoT, Blockchain, 5G, Customer Experience, Fintech. Special emphasis was also placed on linking the Company with universities, research centres, institutes and start-up companies to develop innovative solutions and research proposals for funding.

**iii) International activity**

The Company's main activity on international level pertains to the markets of the European Union and, in particular, to major IT projects for the various Directorates General and European Institutes located in the 28 member states of the Union.

Total sales from this market amounted to EUR 46 million in 2019 compared to EUR 32 million in 2018, recording an increase of 43%. During the same period, the Company achieved an outstanding performance by entering into agreements for new projects. These agreements include the European Chemical Agency (ECHA), the European Centre for Disease Prevention and Control (ECDC), the

European Insurance and Occupational Pensions Authority (EIOPA), the European Institute of Innovation and Technology (EIT), DG-DIGIT, the European Banking Authority (EBA), the European Agency for Railways (ERA) etc. The total backlog from the EU market at the end of 2019 amounted to approximately EUR 200 million.

The Company also operates in markets of South-Eastern Europe and specifically in Romania, Cyprus, Albania, Serbia, FYROM and Malta. Consolidated revenue from these markets amounted to EUR 4.6 million in 2019, recording an increase of 7% compared to EUR 4.3 million in 2018. ORANGE, ENEL, TELEKOM ROMANIA, RAIFFEISEN, ALPHA BANK CYPRUS, EUROBANK CYPRUS, BANK OF CYPRUS, VODAFONE ALBANIA etc. are major customers in these markets.

Total revenue from foreign markets amounted to EUR 51 million in 2019 recording an increase of 39% compared to 2018 (EUR 36.6 million). In 2019, revenue from international activities represents 44% of the total revenue and 50% of company revenue from services.

## Goals and strategies

The Company's main goal in recent years is to become a key provider of IT solutions, apart from the banking sector, also to the telecommunications sector, the public sector and in any other market, by offering reliable infrastructure and application solutions, either through establishing partnerships or developing new products, capitalising on the expertise and experience of its executives.

The Company also seeks to expand its operations abroad in three main areas:

- The IT market of central services, agencies and organisations of the European Union that are becoming Europe's largest consumers of IT products and services.
- The market of SE Europe, where the Company's major Greek customers operate and which is expected in the medium term to grow at a higher rate than the rest of Europe.
- The IT market of international agencies and organizations, such as UN, NATO, WIPO, FAO, World Bank, EuropeAid, EPO, etc., as well as public projects in countries where the Company is active.

The Company places particular emphasis on maintaining its leading position in the domestic IT market with key sectors the Financial Institutions and Telecommunications industries. It participates selectively in specific public projects depending on its know-how or project strategy. Finally, the Company sees growth prospects in the rest of the private sector focusing its efforts on large groups or niche markets.

## Performance and financial position

Below is presented the development in financial year 2019 of certain key figures of the Group, compared to the previous year.

**Sales:** Total sales of the Group amounted to EUR 116,235 thousand in financial year 2019 compared to EUR 90,205 thousand in the previous year.

Profit/loss for the year after tax: In financial year 2019, after tax profit amounted to EUR 891 thousand compared to losses of EUR 153 thousand in the previous year.

**EBITDA:** Earnings before tax, financial results, depreciation and investment results amounted to EUR 5,640 thousand in 2019 compared to EUR 2,659 thousand in the previous year.

The Company's growth and profitability is considered to be satisfactory in 2019, especially given that the outcome has been achieved in a particularly unfavourable external environment with intense competition, decline in private sector investment and delays in the implementation of public sector and NSRF (2014-2020) projects.

In light of the above, we believe that the performance and financial position of the Group in financial year 2019 can be presented more effectively through certain financial ratios.

## GROUP

| Performance ratios | 31.12.2019 | 31.12.2018 | Description |
|---|---|---|---|
| EBT / Sales | 2.07% | 0.60% | This ratio reflects the Group's overall performance based on sales |
| EBT / Average Equity | 8.90% | 1.89% | This ratio reflects the return on Group's equity |
| Gross profit/ Sales | 14.75% | 12.18% | This ratio shows the percentage of gross profit on the Group's sales |
| Gross profit/ Cost of sales | 17.30% | 13.87% | This ratio shows the percentage of gross profit on the Group's CoS |

| Turnover ratios | 31.12.2019 | 31.12.2018 | Description |
|---|---|---|---|
| Inventory Turnover | 16.01 | 7.73 | How many times a company has sold and replaced inventory during a given period. |
| (Trade) Receivables Turnover | 3.18 | 3.04 | How many times a company creates and collects trade receivables |
| (Trade) Payables Turnover | 4.20 | 5.33 | How many times a company pays off its trade payables during a period |

| Liquidity ratios | 31.12.2019 | 31.12.2018 | Description |
|---|---|---|---|
| Current Assets / Current Liabilities | 140.27% | 227.34% | This ratio shows the Group's ability to cover its current liabilities with its current assets. |
| Working capital / Current liabilities | 40.27% | 127.34% | This ratio shows the percentage of current liabilities covered by working capital |

| Capital structure ratios | 31.12.2019 | 31.12.2018 | Description |
|---|---|---|---|
| Current assets/<br>Total assets | 80.37% | 75.47% | This ratio shows the proportion of funds allocated to current assets |
| Non-current assets/<br>Total assets | 19.63% | 24.53% | This ratio shows the funds allocated to non-current assets |
| Equity /<br>Total liabilities | 39.82% | 78.32% | This ratio shows the Group's financial independence |
| Total liabilities /<br>Total equity and liabilities | 71.52% | 56.08% | This ratio shows the borrowing dependence of the Group |

**COMPANY**

| Performance ratios | 31.12.2019 | 31.12.2018 | Description |
|---|---|---|---|
| EBT<br>/ Sales | 1.88% | 0.55% | This ratio reflects the Company's overall performance based on sales |
| EBT / Average Equity | 7.89% | 1.71% | This ratio reflects the return on the Company's equity |
| Gross profit/<br>Sales | 14.69% | 12.11% | This ratio presents the Company's gross profit as a percentage of sales. |
| Gross profit/<br>Cost of sales | 17.22% | 13.78% | This ratio presents the Company's gross profit as a percentage of cost of sales |
| **Turnover ratios** | **31.12.2019** | **31.12.2018** | **Description** |
| Inventory Turnover | 14.73 | 6.69 | How many times a company has sold and replaced inventory during a given period. |
| (Trade) Receivables<br>Turnover | 2.95 | 3.02 | How many times a company creates and collects trade receivables |
| (Trade) Payables<br>Turnover | 4.08 | 5.41 | How many times a company pays off its trade payables during a period |

| Liquidity ratios | 31.12.2019 | 31.12.2018 | Description |
|---|---|---|---|
| Current Assets / Current Liabilities | 138.77% | 228.21% | This ratio shows the Company's ability to cover its current liabilities with its current assets. |
| Working capital / Current liabilities | 38.77% | 128.20% | This ratio shows the percentage of current liabilities covered by working capital |
| **Capital structure ratios** | **31.12.2019** | **31.12.2018** | **Description** |
| Current assets/ Total assets | 79.76% | 74.73% | This ratio shows the proportion of funds allocated to current assets |
| Non-current assets/ Total assets | 20.24% | 25.27% | This ratio shows the funds allocated to non-current assets |
| Equity / Total liabilities | 39.19% | 78.53% | This ratio shows the Company's financial independence |
| Total liabilities / Total equity and liabilities | 71.85% | 56.01% | This ratio shows the borrowing dependence of the Company |

**Prospects for the next financial year**

In the beginning of the year, the general prospects of the Company for 2020 were optimistic and predicted continuation of growth and significant improvement of profitability. Basic predictions were the continuation of expansion abroad, although at a slower pace, and the significant growth in the domestic market, mainly due to the predicted activation of the NFRS funds for the public sector.

Unfortunately, the recent crisis arising at a global and local level due to the pandemic of coronavirus COVID-19 has overturned all predictions. Any prediction is unfortunately very risky at this phase because we do not know the duration and intensity of the crisis.

The Company, in compliance with the general directions of the authorities, has adopted almost full transition of its operations to teleworking and puts its efforts to serve its customers in the best possible way. At the moment, the large customers of the Company are not included in businesses that have been closed or are underperforming (e.g. food and drink, education, hotels, tourism). Thus, at the moment, the projects existing in Greece and abroad are continuing without obstructions.

It is obvious that the difficult macroeconomic conditions developing in Greece and abroad shall significantly affect all economic activity. The current developing economic context makes difficult to predict the estimated financial figures in the sectors where the Company and the Group are active for 2020.

**Long-term goals – Prospects**

Uni Systems Group's prospects are considered positive, both because the IT sector in Greece is expected to show growth in general, as well as because the Company combines features that make it stand out from other companies in the industry.

The existing and future needs to modernise IT services in the private and public sectors, the National Strategic Reference Framework (NSRF 2014-2020), the single market and the common currency create a new competition environment among Greek companies, by increasing their needs to modernise their information systems. Moreover, these factors create a framework for the development of the wider IT sector, that will benefit the companies that have the necessary know-how, experience and flexibility in order to meet new market conditions.

We also note that the Company's backlog up to 2023 for Greece and abroad amount to EUR 250 million.

In this context, the Group's main competitive advantages are the following:

- The available know-how and continuous monitoring and adoption of new technologies applied in the field of information technology including associated industries, such as telecommunications, etc. The rapid development of information technology makes it extremely difficult for most users, even those with fairly sophisticated IT services, to maintain the necessary know-how. The IT market needs more and more services from companies that are able to provide this expertise.

- The ability to provide integrated solutions, by combining related services with the most suitable hardware and software that is not limited to products of a single manufacturer but also includes well-known suppliers of the IT industry through direct or indirect partnerships.

**Research and development**

The Group, as a market leader in the information technology industry, has fully adopted the philosophy of combining information and communication technologies, investing in research and development and innovation. Having been timely prepared, both by enhancing the IT segment for the development of business solutions and applications, as well as by adopting strategic placements in the telecommunications segment, the Group is able today to meet most of the relevant needs of businesses and individuals.

The Group implements the 5-year development plan which is focused on new solutions and products, on innovation and on attracting new talent to the Company. Digital transformation is an integral part of the Company's strategy for both its internal structures and processes and for the solutions offered to customers.

An important focus for 2020 is to continue upgrading, automating and ensuring consistency in the entire software development cycle (Application Life Cycle Management) in order to enhance quality and efficiency, especially for major IT projects abroad. To this end, an extensive reorganisation of the Software Engineering Division was carried out in 2018-2019 and specific actions for improvement and investment in people, systems and processes were launched.

**Labour issues**

All formal and substantial labour obligations that are stipulated by the Greek Legislation have been fulfilled. Part of the Company's strategy and culture is to take care of the development of its employees and to attract talented people.
In addition, ensuring equal opportunities for every employee or candidate has become a key priority. The Company has established policies on recruitment, training, talent management, pay and benefits policies, creating a comprehensive resource management framework that promotes transparency. Education and development of employees is a top priority for the Company.
Based on its human rights policy, the Company ensures gender equality and equal opportunities for all.

Health and safety in the workplace are also a top priority of the Company. Employees are more satisfied and perform their work in the best possible way when working in a decent, friendly and pleasant environment in which they can develop their creativity. And this is also the belief of the Company's Management.

Finally, the Company systematically urges employees to maintain a work-life balance and organises various actions for this purpose, including sports activities, such as the basketball team.

**Environmental issues**

All formal and substantial environmental obligations stipulated by the Greek Legislation have been fulfilled.

All business practices followed by the Company take account of energy and materials saving. At the same time, the Company ensures that its commercial operation affects as little as possible the natural environment and that it complies with the Greek environmental legislation.

The Company systematically implements actions to upgrade and improve the building infrastructure, such as the progressive replacement of lamps with LED lamps and the installation of an automatic lighting system in common areas.

**Branches**

The Company operates a branch in Belgium. The above branch supports the Company's operation especially in this country. The implementation of projects for European Union Agencies and Organisations, which increases every year, made it necessary to establish a subsidiary in Luxembourg at 8/6/2018, while the needs of the projects carried out in Italy led to the incorporation of a branch of Unisystems Luxemburg in Italy at 10/08/2018.

**Key risks and uncertainties**

**Financial risk factors**

The Group is exposed to financial risks, such as market risks (foreign exchange risk, interest rate risk, price risk), credit risk and liquidity risk. The overall risk management policy of the Group focuses on the unpredictability of financial markets and aims to minimise their potential negative impact on the financial performance of the Group. The Group uses derivative financial instruments to hedge its exposure to specific risks.

Risk management is carried out by the central treasury department of the Group, which operates under specific rules approved by the Company's Board of Directors. The Board of Directors provides direction and guidance on general risk management issues, as well as specific guidance for managing specific risks, such as foreign exchange risk, interest rate risk and credit risk.

***(a) Market Risk***

(i) Foreign exchange risk

The Group operates in Europe and as a result the majority of the Group's transactions are denominated in euros. However, the Group also purchases merchandise in foreign currencies, mainly in US dollars. The timely payment of suppliers reduces significantly foreign exchange risk. In order to hedge foreign exchange risk, the Group purchases foreign currency in advance and enters into foreign exchange forward contracts with external counterparties. More specifically, the Group's and the Company's exposure to foreign exchange risk at 31.12.2019 and 31.12.2018 is as follows:

| | **GROUP** | | | |
|---|---|---|---|---|
| | **31.12.2019** | | | |
| | **US $** | **CHF** | **Romanian RON** | **Total** |
| Receivables in foreign currency | 35 | 54 | 550 | 639 |
| Payables in foreign currency | 24 | - | 364 | 388 |
| Total | **59** | **54** | **914** | **1,027** |

| | 31.12.2018 | | | |
|---|---|---|---|---|
| | **US $** | **CHF** | **Romanian RON** | **Total** |
| Receivables in foreign currency | 17 | 327- | 867 | 1,211 |
| Payables in foreign currency | 108 | - | 173 | 281 |
| Total | **125** | **327** | **1,040** | **1,492** |

**COMPANY**

| | 31.12.2019 | | |
|---|---|---|---|
| | **US $** | **CHF** | **Total** |
| Receivables in foreign currency | 35 | 54 | 89 |
| Payables in foreign currency | 24 | 1 | 25 |
| Total | **59** | **55** | **114** |

| | 31.12.2018 | | |
|---|---|---|---|
| | **US $** | | **Total** |
| Receivables in foreign currency | 17 | 327 | 344 |
| Payables in foreign currency | 108 | | 108 |
| Total | **125** | **327** | **452** |

The Company's cash in foreign currency at 31 December of the closing year 2019, amounted to USD 211 thousand, which are translated into EUR 188 thousand, and to GBP 440 thousand, which are translated into EUR 516 thousand.

(ii) Price risk

The Group does not hold securities which are traded in active markets and as a result it is not exposed to securities price risk.

The Company's exposure to commodities price risk is immaterial.

(iii) Interest rate risk

The Group does not finance its working capital needs through bank borrowings; therefore, it does not incur interest expenses. As a result, it is not significantly affected by interest rate fluctuations.

As far as reserves in foreign currency are concerned, the Group's policy is to maintain the minimum amount necessary to cover current liabilities in that currency. During 2019 no such need arose.

***(b) Credit risk***

The Company offers its services exclusively to well-known and reliable counterparties. According to the Company's and the Group's policy all customers who obtain services on credit are subject to credit rating procedures. To monitor customer credit risk, customers are grouped based on their industry, credit characteristics, receivables' ageing characteristics and any past issues regarding receivables collectability. Potential customers identified as "high risk" are included in a special customer account and future sales are prepaid. Depending on every customer's history and status, the Group requires, where possible, securities or other collateral (e.g. letters of credit) to secure its receivables.

The Group recognises an impairment provision reflecting its estimate of losses from trade and other receivables. This provision mainly consists of impairment losses on specific receivables that are expected to be realised according to current conditions, but are not final yet. This provision is recognised as a reduction of "Trade and other receivables" in the balance sheet.

Regarding the credit risk arising from the placement of cash and cash equivalents, it is stressed that the Group cooperates exclusively with financial institutions with a high credit rating, as well as the systemic banks in Greece.

A relevant ageing analysis of the Group's and Company's receivables is included in Note 13.

***(c) Liquidity risk***

Each Group company prepares financial statements and submits them to Uni Systems on a quarterly basis in order to prepare cash flow forecasts, thus monitoring liquidity effectively at Group level.

Liquidity management is achieved by maintaining sufficient cash and credit limits with banks. The undrawn borrowing facilities available to the Group are sufficient to address any potential shortfall in cash.

More specifically, the Group's and the Company's financial liabilities are analysed based on their maturity as follows:

| | GROUP | | | | |
|---|---|---|---|---|---|
| **31.12.2019** | **<1 year** | **1-2 years** | **3-5 years** | **Over 5 years** | **Total** |
| Borrowings | - | - | - | - | - |
| Trade and other payables | 53,208 | 7,836 | - | 1,282 | 62,326 |
| | **53,208** | **7,836** | **-** | **1,282** | **62,326** |
| **31.12.2018** | **<1 year** | **1-2 years** | **3-5 years** | **Over 5 years** | **Total** |
| Borrowings | 12 | - | - | - | 12 |
| Trade and other payables | 20,794 | 10,645 | - | - | 31,439 |
| | **20,806** | **10,645** | **-** | **-** | **31,451** |

| | COMPANY | | | | |
|---|---|---|---|---|---|
| **31.12.2019** | **<1 year** | **1-2 years** | **3-5 years** | **Over 5 years** | **Total** |
| Borrowings | - | - | - | - | - |
| Trade and other payables | 52,407 | 7,722 | - | 1,282 | 61,411 |
| | **52,407** | **7,722** | **-** | **1,282** | **61,411** |
| **31.12.2018** | **<1 year** | **1-2 years** | **3-5 years** | **Over 5 years** | **Total** |
| Borrowings | 12 | - | - | - | 12 |
| Trade and other payables | 20,196 | 10,645 | - | - | 30,841 |
| | **20,208** | **10,645** | **-** | **-** | **30,853** |

***(d) Business cycle risk - Macroeconomic business environment in Greece***

Following the official exit of the country from the Economic Adjustment Programme, the macroeconomic and financial environment in Greece showed signs of stability, however, the current health crisis due to COVID-19 adds more uncertainty, while the Greek economy continues to be vulnerable to fluctuations of the external environment. Return to economic stability depends greatly on the actions and decisions of institutional bodies both in Greece and abroad. Given the nature of the Company's and the Group's activities and their financial position, any negative developments are not expected to have a significant impact on their operations, as long as they apply for a short period of time. However, the Management regularly assesses the situation and the potential impact so as to ensure that all the necessary and feasible measures and actions are taken in order to minimise any potential impact on the Company's and the Group's operations.

More specifically, the Group has considered and confirmed the following:

- The ability to repay or refinance existing or future debt, as there is sufficient cash on the one hand, and the Group is not exposed to significant current borrowing, on the other hand.
- The recoverability of trade receivables, given the rigorous credit policy applied.
- The ability to ensure a high sales turnover through the execution of long-term contracts for software development and the provision of support services for IT hardware and applications.
- The recoverability of tangible and intangible assets, as the Group conducts impairment tests on these assets when there is evidence that their carrying amount will not be recovered.

**3.2 Capital risk management**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

To maintain or adjust capital structure, the number of dividends paid to shareholders may be adjusted, equity may be returned to shareholders, new shares may be issued or assets may be sold to reduce debt.

The Group monitors capital risk on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital (equity and borrowed capital). Net debt is calculated as total borrowings (including current and non-current borrowings) less cash and cash equivalents.

The Group, both at 31.12.2019 and 31.12.2018 had zero borrowings. Also, at these dates, it had sufficient cash (cash at 31/12/2019 were increased by 50% compared to the previous year), showing an extremely healthy financial picture.

***d) Capital risk management***

The Group continuously improves its capital structure (i.e. the relation between borrowings and equity). The purpose of capital risk management is to safeguard the Group's ability to continue as a going concern in order to provide satisfactory returns for shareholders, maintain an optimal capital structure and reduce the cost of capital.

## Investments in subsidiaries, associates and other entities

The Company's securities are analysed as follows:

| 31 December 2018 | *Acquisition cost* | *Impairment for the year/assignment* | Valuation value | *Impairment of previous years* | *% of interest held* |
|---|---|---|---|---|---|
| **Investments in subsidiaries** | | | | | |
| **Unisystems Netherlands BV** | 1,061 | (25) | 100 | (936) | 100.00% |
| **Unisystems Cyprus LTD** | 2,104 | - | 99 | (2,005) | 100.00% |
| **Unisystems Luxembourg S.a.r.l.** | 12 | - | 12 | - | |
| | ***3,177*** | **(25)** | ***211*** | ***(2,941)*** | |
| **Investments in associates** | | | | | |
| **PARKMOBILE HELLAS SA** | 1,284 | - | - | (1,284) | 40.00% |
| | ***1,284*** | - | **-** | ***(1,284)*** | |
| **Available-for-sale financial assets** | | | | | |
| **BriQ Properties REIC** | 4,539 | (4,539) | - | - | 16.31% |
| **ITEC SA** | 726 | - | - | (726) | 34.00% |
| **PROBANK SA** | 570 | - | - | (570) | 0.16% |
| **ACROPOLIS TECHNOLOGICAL PARK** | 527 | - | - | (527) | 4.43% |
| **CREATIVE MARKETING** | 693 | - | - | (693) | 40.00% |
| **EPIRUS SCIENCE AND TECHNOLOGY PARK** | 10 | - | - | (10) | 2.47% |
| | ***7,065*** | **(4,539)** | **-** | ***(2,526)*** | |
| **TOTAL** | **11,526** | **(4,564)** | **211** | **(6,751)** | |

| 31 December 2019 | *Acquisition cost* | *Impairment for the year/deletion* | Valuation value | *Impairment of previous years* | *% of interest held* |
|---|---|---|---|---|---|
| **Investments in subsidiaries** | | | | | |
| **Unisystems Netherlands BV** **(dissolved & deleted)** | 1,061 | (100) | - | (961) | 100.00% |
| **Unisystems Cyprus LTD** | 2,104 | - | 99 | (2,005) | 100.00% |
| **Unisystems Luxembourg S.a.r.l.** | 312 | - | 312 | - | |
| | ***3,477*** | **(100)** | ***411*** | ***(2,966)*** | |
| **Investments in associates** | | | | | |
| **PARKMOBILE HELLAS SA** | 1,284 | - | - | (1,284) | 40.00% |
| | ***1,284*** | - | **-** | ***(1,284)*** | |
| **ITEC SA** | 726 | - | - | (726) | 34.00% |
| **PROBANK SA** | 570 | - | - | (570) | 0.16% |
| **ACROPOLIS TECHNOLOGICAL PARK** | 527 | - | - | (527) | 4.43% |
| **CREATIVE MARKETING (deleted)** | 693 | - | - | (693) | 40.00% |
| **EPIRUS SCIENCE AND TECHNOLOGY PARK** | 10 | - | - | (10) | 2.47% |
| | ***2,526*** | **-** | **-** | ***(2,526)*** | |
| **TOTAL** | **7,287** | **(100)** | **411** | **(6,776)** | |

Investments in subsidiaries and associates are subject to impairment testing when certain events or changes in the circumstances suggest that their carrying value cannot be recoverable. The impairment loss from investments is recognised in the statement of comprehensive income. Impairment loss on investments is incurred when the acquisition cost of the investment exceeds its carrying value.
In the current year (24/12/2019), Unisystems Netherlands B.V was dissolved with total impact on the results of the company EUR 100 thousand as deletion of the value of Balance sheet as of 23-12-2019.

Also, in the current year, the Company, based on the decision Commercial Register 66204.1/15 of 7/09/2015 on the deletion of CREATIVE MARKETING SA, deleted this company from its books with registration date 31.12.2019. This deletion had no impact on the Company's results, as the interest had been fully impaired in prior years.

**Dear Shareholders,**

Following the above information, we ask you to approve the consolidated and separate Financial Statements of financial year 2019.

Kallithea, 30 March 2020

The Chairman of the Board of Directors
& CEO

Ioannis K. Loumakis

## Independent auditor's report

### To the Shareholders of "Uni Systems S.M.S.A."

### Report on the audit of the separate and consolidated financial statements

**Our opinion**

We have audited the accompanying separate and consolidated financial statements of Uni Systems S.M.S.A. (Company and Group) which comprise the separate and consolidated statement of financial position as of 31 December 2019, the separate and consolidated statements of profit or loss, comprehensive income, changes in equity and cash flow statements 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 separate and consolidated financial statements present fairly, in all material respects the separate and consolidated financial position of the Company and the Group as at 31/12/2019, 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 and comply with the statutory requirements of Law 4548/2018.

**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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Independence**

During our audit we remained independent of the Company and the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) that has been transposed into Greek Law, and the ethical requirements of Law 4449/2017, that are relevant to the audit of the separate and consolidated financial statements in Greece. We have fulfilled our other ethical responsibilities in accordance with Law 4449/2017, and the requirements of the IESBA Code.

**Other Information**

The members of the Board of Directors are responsible for the Other Information. The Other Information is the Board of Directors Report (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report.

Our opinion on the separate and consolidated financial statements does not cover the Other Information and except to the extent otherwise explicitly stated in this section of our Report, we do not express an audit opinion or other form of assurance thereon.



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In connection with our audit of the separate and consolidated financial statements, our responsibility is to read the Other Information identified above and, in doing so, consider whether the Other Information is materially inconsistent with the separate and consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

With respect to the Board of Directors Report, we considered whether the Board of Directors Report includes the disclosures required by Law 4548/2018.
Based on the work undertaken in the course of our audit, in our opinion:

- The information given in the Board of Directors' Report for the year ended at 31 December 2019 is consistent with the separate and consolidated financial statements,

- The Board of Directors' Report has been prepared in accordance with the legal requirements of articles 150 and 153 of Law 4548/2018.

In addition, in light of the knowledge and understanding of the Company and Group and their environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Board of Directors' Report. We have nothing to report in this respect.

**Responsibilities of Board of Directors and those charged with governance for the separate and consolidated financial statements**

The Board of Directors 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 comply with the requirements of Law 4548/2018, and for such internal control as the Board of Directors 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, the Board of Directors 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 Board of Directors either intends to liquidate the Company and Group or to cease operations, or has no realistic alternative but to do so.
Those charged with governance are responsible for overseeing the Company's and Group's financial reporting process.

**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 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 consolidate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism 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 the Board of Directors.
- Conclude on the appropriateness of Board of Directors' 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.

**Report on other legal and regulatory requirements**

With respect to the Board of Directors Report, the procedures we performed are described in the “Other Information” section of our report.

Athens 8/5/2020

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Dimitris Sourbis

Certified Auditor

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