EPSILON NET

INFORMATION TECHNOLOGY, TRAINING AND

HIGH-TECH PRODUCTS SOCIETE ANONYME

G.E.MI. No: 038383705000

ANNUAL FINANCIAL STATEMENT

(IN ACCORDANCE WITH Law 3556/2007)

for the fiscal year from 1st January to 31st December 2020

THESSALONIKI

MARCH 2021

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DECLARATIONS OF THE MEMBERS OF THE BOARD OF DIRECTORS OF

"EPSILON NET INFORMATION TECHNOLOGY, TRAINING AND HIGH-TECH PRODUCTS SOCIETE ANONYME"

In accordance with the provision of paragraph 2 (c) of Article 4 of Law 3556/2007 we declare that to the best of our knowledge:

A. The Company's financial statements for the fiscal year 2020 on an individual and consolidated basis, which were prepared in accordance with the applicable accounting standards, accurately reflect the assets and liabilities, the net position and the statement of the comprehensive income of the Company, as well as the undertakings included in the consolidation considered as a whole, and
B. The annual management report of the Company's Board of Directors on the Consolidated and Corporate Financial Statements for the fiscal year 2020 accurately reflects the development, performance and position of the Company as well as the companies included in the consolidation considered as a whole, including the description of the main risks and uncertainties they face.

THESSALONIKI, 16 MARCH 2021

CHAIRMAN OF THE BOARD OF DIRECTORS AND CHIEF EXECUTIVE OFFICER	EXECUTIVE MEMBER OF THE BOARD OF DIRECTORS AND CHIEF EXECUTIVE OFFICER	EXECUTIVE MEMBER OF THE BOARD OF DIRECTORS
IOANNIS N. MICHOS	VASSILIKI D. ANAGNOSTOU	IOANNIS A. KOUTKOUDAKIS
ID No.: AN 002369 / 07.10.2016	ID No.: AZ 194497 / 14.12.2007	ID No.: AE 368674 / 15.03.2007

Annual Board of Directors Management Report

Of "EPSILON NET INFORMATION TECHNOLOGY, TRAINING AND HIGH-TECH PRODUCTS SOCIETE ANONYME"

On the Consolidated and Corporate Financial Statements of fiscal year 2020

(from 1st January to 31st December 2020)

To the Ordinary General Meeting of the Shareholders

G.E.MI. No.: 038383705000

Dear Shareholders,

The present Annual Management Report of the Board of Directors of "EPSILON NET INFORMATION TECHNOLOGY, TRAINING AND HIGH-TECH PRODUCTS SOCIETE ANONYME" (hereinafter "Epsilon Net S.A." or "Company") concerns the period of fiscal year 2020. The Report was drafted and is harmonized with the relevant provisions of Articles 150-154 of Law 4548/2018, Law 3556/2007 (Official Gazzette. 91A/30.4.2007) and the implementing decisions issued by the Capital Market Commission, i.e. Decision No. 7/448/11.10.2007 of the Board of the Capital Market Commission.

The Financial Statements of the EPSILON NET S.A. Group are presented using the International Financial Reporting Standards (IFRS) as these apply to companies that are listed on the Athens Stock Exchange (ATHEX) and the rules related to the consolidation of the parent and subsidiary companies' financial data.

This report includes financial and non-financial information of the Group, the Company, its subsidiaries and affiliates for the fiscal year 2020 and describes important events that took place during this period. It also describes the main risks and uncertainties that the Company and the Group may face in the forthcoming year and finally lists the significant transactions between the Company and its affiliates.

1) PROGRESS EVALUATION

Financial Progress and Performance of fiscal year 2020

The Company and the Group show high financial performance in their key financial figures in recent years, effectively dealing with the difficult economic situation.

Consolidated Results

Turnover: The Group's turnover during the fiscal year 2020 amounted to € 21.69 million compared to € 17.98 million during the previous fiscal year 2019, recording an increase of 20.69%.

Earnings before taxes: Earnings before taxes for fiscal year 2020 amounted to € 3.30 million, compared to € 1.37 million in 2019, recording an increase of 141.49 %, while earnings after taxes for fiscal year 2020 amounted to € 3.28 million, compared to € 1.41 million in 2019, recording an increase of 132.86 %.

Earnings before interest, taxes, depreciation and amortization (EBITDA): Earnings before taxes – financial – investment results and depreciation (EBITDA) for fiscal year 2020 amounted to € 5.14 million, compared to € 3.26 million in 2019, recording an increase of 57.55 %.

Fixed Assets: The total value of Intangible Fixed Assets in 2020 amounted to € 6.23 million compared to € 4.84 million in 2019, while the corresponding value of Tangible Fixed Assets amounted to € 4.66 million compared to € 2.88 million in 2019. The significant difference observed in Fixed Assets is mainly due to the acquisition and integration in the Group of the subsidiary DATA COMMUNICATION S.A. for the first time in the fiscal year 2020. The amount of leases that according to IFRS 16 is reflected in the tangible fixed assets of the Group amounts to € 2.5 million.

The Group's investments for the current year 2020 in Fixed assets per category concern Building Improvement Works, Furniture, Computers & Servers, Software purchase from Third Parties, as well as Investments in Development of new innovative products and high technology services.

Real Estate: The Group did not own any real estate during fiscal years 2020 & 2019.

Own Equity: The Group's Own Equity increased to € 22.21 million in 2020, from € 13.51 million in 2019 recording an increase of 64.41 %, which is mainly due to the issuance of 2,224,560 new common registered shares of the Company in the context of the listing of its shares in the Regulated Market of the ATHEX.

Regarding the composition of assets, liabilities, equity and profit/loss account for fiscal year 2020 as well as the accounting principles applied by the Group, an extensive analysis is made in the financial statements of 31.12.2020.

Corporate Results

Turnover: The Company's turnover during fiscal year 2020 amounted to € 14.62 million compared to € 13.65 million in the previous fiscal year 2019, recording an increase of 7.08%.

Earnings before taxes: Earnings before taxes for the fiscal year 2020 amounted to € 1.86 million, compared to 1,02 thousand in 2019, recording an increase of 82.37 %, while earnings after taxes for fiscal year 2020 amounted to € 1.88 million, compared to € 1.05 thousand in 2019, recording an increase of 79.24 %.

Earnings before interest, taxes, depreciation and amortization (EBITDA): Earnings before taxes – financial – investment results and depreciation (EBITDA) for fiscal year 2020 amounted to € 3.30 million, compared to € 2.63 million in 2019, recording an increase of 25.41 %.

Fixed Assets: The total value of Intangible Fixed Assets in 2020 amounted to € 1.66 million compared to € 1.82 million in 2019, while the corresponding value of Intangible Fixed Assets amounted to € 4.23 million compared to € 4.73 million in 2019. The amount of leases that is reflected in the tangible fixed assets of the Company according to IFRS 16 amounts to € 0.66 million.

The Company's investments for the current year 2020 in Fixed Assets per category concern Building Improvement Works, Furniture, Computers & Servers, Software purchase from Third Parties, as well as Investments in Development of new innovative products and high technology services.

Real Estate: The Company did not own any real estate during the years 2020 & 2019.

Own Equity: In 2020, the Company's Equity amounted to € 19.25 million, compared to € 12.6 in 2019, recording a 53.41% increase. The significant increase in Own Equity is mainly due to the issuance of 2,224,560 new common nominal shares of the Company in the context of the listing of its shares in the ATHEX Regulated Market.

Regarding the composition of assets, liabilities, equity and profit/loss account for fiscal year 2020 as well as the accounting principles applied by the Company, an extensive analysis is made in the financial statements of 31.12.2020.

2) SHARES - DIVIDEND - DIVIDEND RETURN

The company's shares are traded as at 15.07.2020 in the Main Market of the Athens Stock Exchange after the successful increase of the Share Capital by Euro 5.34 million at the price of Euro 2.40 per share, that took place in July 2020 and the consequent transfer of its shares from the Alternative Market to the Main Market. The number of shares now amounts to 13,400,000.

The closing price of "EPSILON NET S.A." share on 31.12.2020 was Euro 4.68, i.e. 80% higher compared to the closing price on 31.12.2019 which was Euro 2.60. The highest share price reached Euro 4.68 (31.12.2020) and the lowest price was Euro 1.77 (16.03.2020). The capitalization of the Company on 31.12.20 amounted to Euro 62,712 million.

For fiscal year 2019, a dividend of Euro 348,694.80 was distributed in 2020 which corresponds to a dividend of Euro 0.026022 per share, of which tax was withheld in favor of the Greek State and therefore the net dividend payable per share amounted to euro 0.0247209.

3) PROSPECTIVE WORKS PROGRESS

Information about the Prospects and the Development of the Group & the Company

2020 was a significant year for progress of the economy, as, following the macroeconomic improvement that occurred in 2019, the effects of the coronavirus will have in the international and domestic economy, in combination with the structure of the Greek business environment, did not lead to the achievement of the desired shift in the productive model and the strengthening of the Greek economy's international competitiveness.

The IT sector is one of the most important sectors of the Greek economy, due to the growing demand for automation and digitization observed in recent years in both the private and public sectors. At the same time, as Greek international competitiveness is limited due to the low degree of digitization of its small and medium-sized businesses, emphasis is placed on the digital capabilities and advanced skills needed to meet global competition and social challenges, as well as to deliver the benefits of digital transformation to every citizen and business.

Epsilon Net Group Management observes the developments in the Greek economy and in particular in the developments of the sector in which it operates and using the experience of successful management of previous years, evaluates the existing conditions aiming at the continuous assessment of future investment and operational needs and the immediate adjustment of the Group's Business Plan as necessary, with the aim of maintaining and increasing the operational efficiency of the Group's companies, the expansion of clientele and the implementation of new investments.

At regular intervals and at least once a year, a risk assessment is carried out related to the activities and operations of the Group, and appropriate actions are taken to reduce operational and business risks.

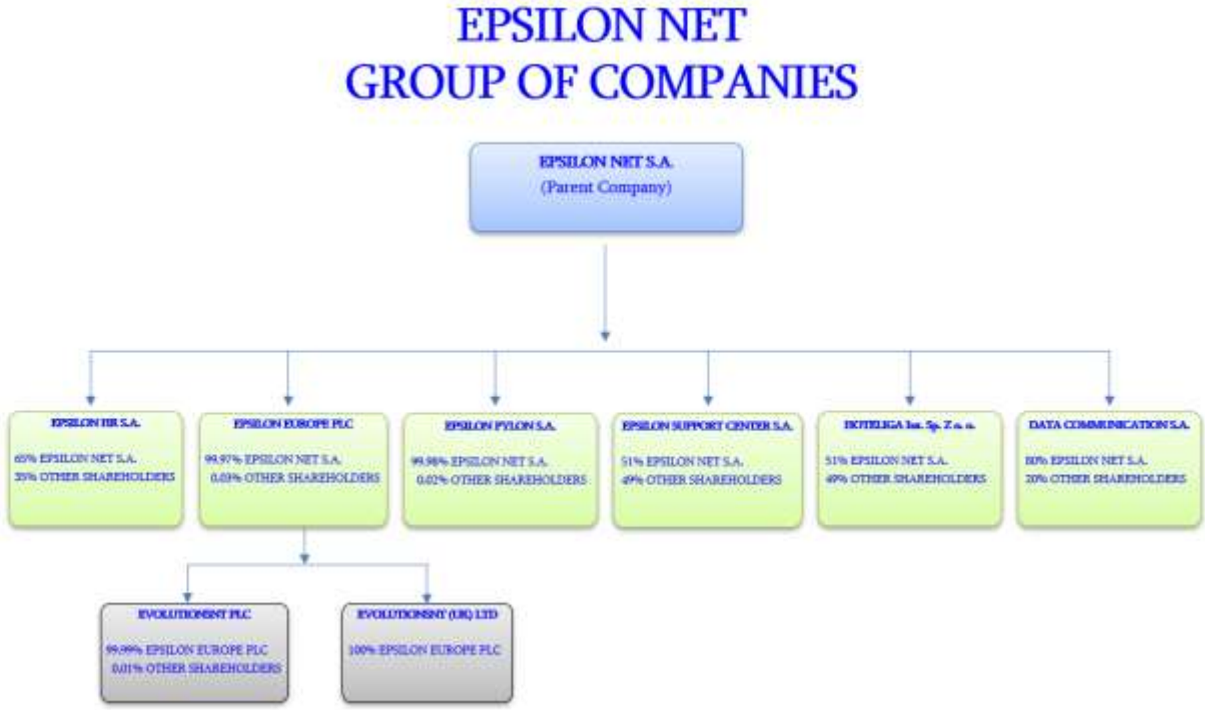
At the same time, the Group continues to move in the long-term interest of the participants (stakeholders) of the company, focusing on market penetration of small, medium and large companies in Greece, in terms of the business software sector as a whole, further penetration of software payroll and human resource management applications (Payroll & HRM Systems) in companies and further penetration in the market of accounting offices and freelance accountants - tax experts with new programs and specialized services as well as new technologically developed solutions that pioneer in the Greek market such as the Digital Accounting solution.

At the same time, it develops strategies aiming at the development and investment in the field of Financial Technology (FinTech). Furthermore, the decision of the Independent Public Revenue Authority to compulsorily implement electronic invoicing and transmission as well as the application of electronic books (My Data) for all businesses, drives the developments of the digital transformation of businesses at a faster pace; the Company monitors this and is already offering new products, systems and services completely adapted to the new legal requirements.

4) GROUP STRUCTURE - SUBSIDIARIES & AFFILIATES

A. Subsidiaries (direct or/and indirect participation)

<u>Epsilon Net Group Organizational chart</u>



The subsidiaries that belong to the Group are presented below:

The subsidiary company "EPSILON EUROPE PLC" with registered seat in Cyprus participates in the company "EVOLUTIONSNT PLC" by 99.99% and in the company "EVOLUTIONSNT (UK) LTD" by 100,00%, both of which have registered seats in England.

Based on the Board of Directors resolution dated 21/01/2016, the parent company participated by 35% in the establishment of the company EPSILON HR SA, which is active in the production and marketing of software specializing in the field of information systems for human resources, while the remaining shareholder Mr. Michael Protopapas with 35% and the company VARIAN INVESTMENTS S.A. SPF with 30%. Subsequently, pursuant to the private share-transfer agreement dated 18/06/2020, the parent company acquired from the company Varian Investments, shares that correspond to an additional 30% for an amount of € 9,432.00.

Therefore, the shareholding structure of EPSILON HR S.A. is as follows:

Name	% of Share Capital
EPSILON NET S.A.	65%
PROTOPAPAS MICHAEL	35%

Consolidation was conducted for the first time in the interim financial statements of 30/06/2016 using the full consolidation method, given that EPSILON NET SA. controls the majority of the Board members and has determined the financial and business policy of EPSILON HR SA, since its establishment until today.

In addition, the parent company participates with 99.983% in the company EPSILON PYLON S.A. (former EPSILON EKAPIDEYTIKI SOCIETE ANONYME), which is active in the one hand in the field of educational services and on the other hand in the IT sector.

In August 2019, "EPSILON SUPPORT CENTER SOFTWARE PROJECTS DEVELOPMENT AND SUPPORT SOCIETE ANONYME" and distinctive title "EPSILON SUPPORT CENTER S.A." was established, in which the parent company participates by 51%. The purpose of the subsidiary is the development and support of software projects implemented with software created by the parent company. "EPSILON SUPPORT CENTER S.A." was included in the consolidated financial statements of 31/12/2019 for the first time using the full consolidation method.

Since July 2020, in the context of the continuous development and cooperation based on technology partnership, the parent company welcomes the company HOTELIGA International sp. Z o.o based in Poland to the group's family. The agreement for the transfer of the majority of the shares, which was signed with the company AILLERON S.A. listed in Poland's Stock Exchange, resulted in the acquisition of 51% of the shares held by the company in HOTELIGA International sp. Z o.o.

HOTELIGA International is a specialised IT company which has successfully created and developed IT products in the online environment. The new subsidiary is active in the market of hospitality software, pms, paperless hotel systems and travel technology a rather demanding market which is changing and rapidly evolving on an international level. The company's clientele already contains a significant number of small and medium accommodations in Greece and twenty (20) countries abroad, with emphasis on the European market. "HOTELIGA International sp. Zo.o" was included for the first time in the consolidated financial statements of 31/12/2020 using the full consolidation method.

Finally, in October 2020, consistently following the path of continuous development and strengthening the model of development, the parent company proceeded to the acquisition of 80% of DATA COMMUNICATION S.A., (DATA COMMUNICATION SOCIETE ANONYME BUSINESS COMPUTERIZATION), a company that is active in the provision of integrated IT solutions to businesses and organizations in the private and public sector, as well as in accounting offices. "DATA COMMUNICATION S.A." was included for the first time in the consolidated financial statements of 31/12/2020 using the full consolidation method.

B. Other Companies Consolidated using the Equity Method

The parent company participated with a percentage of 35.156% in the company SUPERVISOR SA, which is active in the marketing of computers and software, based on the decision of the Extraordinary General Meeting of 27/08/2014. of the Shareholders of the latter for an increase of its Share Capital, which was fully covered by EPSILON NET S.A.

It is noted that, from 1st January 2017, the financial and business policy of SUPERVISOR S.A. was estimated to be controlled by the parent company and for this reason during fiscal years 2017 and 2018 the consolidation was carried out using the total consolidation method. The Management of the Company in the fiscal year 2019, reviewed the above assessment considering that the audit criteria are not met and included the company SUPERVISOR S.A. in the 2019 consolidated financial statements with the equity method.

As a result of the above assessment and strategic direction of the other shareholders, in February 2021, the parent company withdrew its participation transferring its total percentage (35.16%) to the share capital of SUPERVISOR SA.

The completion of the transaction does not have a significant effect on the financial results of the Group, while the value of the transfer does not fall short of the value of the participation in the books of the company. The above move is part of the implementation of the Group's investment plan, with the strategic goal of focusing on activities of high added value.

Pursuant to the Private Share Transfer Agreement dated 20.12.2019 between its main shareholder “HIT HOSPITALITY INTEGRATED TECHNOLOGIES SA”, “HIT EXELIXIS INTEGRATED HOTEL - TOURIST APPLICATIONS AND INTERNET CONTENT SA” and the parent company, eighty-six thousand twenty (86,020) registered shares were transferred to the Company, with a nominal value of two euros and ninety three cents (€ 2.93) each, representing thirty-four percent (34%) of the share capital and voting rights of “HIT HOSPITALITY INTEGRATED TECHNOLOGIES SA”, for a price of € 11.6252034 for each sold share of nominal value of € 2.93 and for an amount of one million Euros (€ 1,000,000.00) in total.

C. Other Participation Interest Companies

EPSILON NET participates in Technopolis Thessaloniki S.A. since its establishment, which is the creator of the first High Technology Enterprise Park in Greece. It is estimated that through this participation, in the future, to achieve significant synergies and investment opportunities, due to the concentration of reputable companies in the IT sector at the said Park.

5) INVESTMENTS - DEVELOPMENT

Business activities in the field of research and development

The Company and the Group are active in the field of Research and Development. In fact, they have an organized department staffed by scientists in the field of Informatics & employed in the different phases of Research & Development of High Technology products.

The Company and the Group have been implementing the Quality Management System (QMS) ISO 9001 for a number of years, the main goal of which is to improve the overall performance of the Group Companies and to create a strong basis for sustainable development initiatives. With the application of ISO 9001, the overall operating framework of the Group's Companies is evaluated with the ultimate goal of customer service and satisfaction. It also increases productivity and efficiency within the respective legislative and regulatory frameworks and identifies risks and opportunities for improvement. ISO 9001 is in many cases a prerequisite for the participation of the Group's Companies in public tenders, the cooperation with private companies and the export of products and services.

The scope of application covered by the above QMS in the Group's Companies is: Marketing, Design and Production of Software and Customer Support Products, as well as the Design, Implementation and Management of Training Programs.

Furthermore, since 2020 the Company applies the ISO/IEC 27001 standard in its operational activity, identifying the requirements for the design, implementation, maintenance, monitoring and continuous improvement of an Information Security Management System. Based on the specifications of the said system, the Company can responsibly manage and protect its valuable assets that contain corporate and personal information.

6) RELATED PARTY TRANSACTIONS

The amounts of the parent company's transactions resulting from transactions with its related parties, in accordance with IAS 24, during the period from 01.01 to 31.12.2020 are as follows:

		LIABILITY													
	Amounts in Euro €	FULL CONSOLIDATION METHOD							EQUITY CONSOLIDATION METHOD		OTHER RELATED COMPANIES				
		EPSILON NET SA	EPSILON PYLON SA	EPSILON EUROPE PLC	EPSILON HR SA	EPSILON SUPPORT CENTER SA	HOTELIGA INTERNATIONAL	DATA COMMUNICATION SA	SUPERVISOR SA	HIT HOSPITALITY INTEGRATED TECHNOLOGIES SA	OIKONOMIKES & MECHANOGRAPHIKES LYSEIS LP	OIKONOMIKES EKDOSEIS LP	SCAN SA	TAX RIGHT LTD	TOTAL
RECEIVABLES	EPSILON NET SA	-	-		-	353.36	7,938.64	1,564.49	30,822.59	758.63			3,745.80	426.25	**45,609.76**
	EPSILON PYLON SA	2,502.97	-		5,947.96	1,488.00			65,992.09	44.20					**75,975.22**
	EPSILON EUROPE PLC			-											**-**
	EPSILON HR SA	102,471.72	-		-				54,547.69				868.01		**157,887.42**
	EPSILON SUPPORT CENTER SA	71,639.47	4,391.09			-									**76,030.56**
	HOTELIGA INTERNATIONAL		1,915.50				-								**1,915.50**
	DATA COMMUNICATION SA	967.20						-							**967.20**
	SUPERVISOR SA	11,005.00	1,240.00		-				-						**12,245.00**
	HIT HOSPITALITY INTEGRATED TECHNOLOGIES SA									-					**-**
	OIKONOMIKES & MECHANOGRAPHIKES LYSEIS LP										-				**-**
	OIKONOMIKES EKDOSEIS LP	400.27										-			**400.27**
	SCAN SA	20,757.85	445.28		15,026.95								-		**36,230.08**
	TAX RIGHT LTD													-	-
	TOTAL	**209,744.48**	**7,991.87**	**-**	**20,974.91**	**1,841.36**	**7,938.64**	**1,564.49**	**151,362.37**	**802.83**	**-**	**-**	**4,613.81**	**426.25**	**407,261.01**

The companies "OIKONOMIKES EKDOSEIS LP", "OIKONOMIKES & MECHANOGRAPHIKES LYSEIS LP", "SCAN S.A." and "TAX RIGHT LTD" are not consolidated with the EPSILON NET Group.

		LIABILITY													
	Amounts in Euro €	FULL CONSOLIDATION METHOD							EQUITY CONSOLIDATION METHOD		OTHER RELATED COMPANIES				
		EPSILON NET SA	EPSILON PYLON SA	EPSILON EUROPE PLC	EPSILON HR SA	EPSILON SUPPORT CENTER SA	HOTELIGA INTERNATIONAL	DATA COMMUNICATION SA	SUPERVISOR SA	HIT HOSPITALITY INTEGRATED TECHNOLOGIES SA	OIKONOMIKES & MECHANOGRAPHIKES LYSEIS LP	OIKONOMIKES EKDOSEIS LP	SCAN A.B.E.E.	TAX-RIGHT LTD	TOTAL
RECEIVABLES	EPSILON NET SA	-	2,875,586.20		1,360,982.80	2,478.16	7,938.64	6,272.88	54,029.88		-	-	3,020.80	-	**4,310,309.36**
	EPSILON PYLON SA	11,550.00	-		190.50	1,200.06			26,679.76	5,035.64					**44,655.96**
	EPSILON EUROPE PLC			-											**-**
	EPSILON HR SA	5,541.69	19,049.43		-				14,235.51				700.01		**39,526.64**
	EPSILON SUPPORT CENTER SA	71,520.06	25,766.01			-									**97,286.07**
	HOTELIGA INTERNATIONAL	-	2,864.50				-								**2,864.50**
	DATA COMMUNICATION SA	780.00						-							**780.00**
	SUPERVISOR SA	1,754.60	2,872.50		202.50				-						**4,829.60**
	HIT HOSPITALITY INTEGRATED TECHNOLOGIES SA	-	5,000.00							-					**5,000.00**
	OIKONOMIKES & MECHANOGRAPHIKES LYSEIS LP	94,000.00									-				**94,000.00**
	OIKONOMIKES EKDOSEIS LP	73,996.75										-			**73,996.75**
	SCAN A.B.E.E.	16,782.18	16,521.78		96,450.83								-		**129,754.79**
	TAX-RIGHT LTD	41,636.80												-	**41,636.80**
	TOTAL	**317,562.08**	**2,947,660.42**	**-**	**1,457,826.63**	**3,678.22**	**7,938.64**	**6,272.88**	**94,945.15**	**5,035.64**	**-**	**-**	**3,720.81**	**-**	**4,844,640.47**

The amounts of the transactions of the Group and the Company, which relate to transactions with executives & members of management, according to IAS 24, at the end of the current period are as follows:

	GROUP		COMPANY	
Amounts in Euro €	**2020**	**2019**	**2020**	**2019**
Transactions and remuneration of Executives and Management Members	730,798.69	765,713.11	501,001.65	471,520.32
Requirements from Executives and Members of Management	9,690.06	4,216.02	1,461.82	1,519.64
Obligations to Executives and Management Members	21,550.81	8,514.11	21,550.81	7,612.74

7) SHAREHOLDERS – SHARE CAPITAL – RESPONSIBILITIES OF THE BOARD OF DIRECTORS – ARTICLES OF ASSOCIATION

Significant direct or indirect participations according to Law 3556/2007

The shareholders, natural or legal persons, who directly or indirectly hold a percentage of the share capital greater than 5% are the following:

Shareholder	**Number of Shares**	**% of Share Capital**
Ioannis Michos	9,090,366	67.84%
BARCA GLOBAL MASTER FUND, L.P.	1,108,029	8.27%
Shareholders with % < from 5%	3,201,605	23.89%
Total	**13,400,000**	**100.00%**

Restrictions on the transfer of the Company's shares

The transfer of the Company's shares is carried out as defined by law and there are no restrictions from the Articles of Association on their transfer, as these are intangible registered shares listed on the Stock Exchange.

Company's Share Capital Structure

On 10th July 2020, the Public Bidding and the sale of 2,224,560 new common registered shares of the Company were completed.

The Bidding price of the New Shares (hereinafter the "Bidding Price") was set at € 2.40 per Share for the total Public Bidding (which related to Special and Private Investors).

The total capital raised from the Public Bidding, before the deduction of commissions and expenses, amount to Euro € 5,338,944 (€ 2.40 x 2,224,560). More specifically, 866,940 new common registered shares (or 38.97% of the total Public Bidding) were distributed to Private Investors and 1,357,620 new common registered shares (or 61.03% of the total Public Bidding) were distributed to Special Investors.

The total demand from the applications of the Special Investors submitted during the Public Bidding, at the Bidding Price, amounted to 2,589,132 New Shares, exceeding the ones offered in this category, ie 1,357,620 new common registered shares by approximately 1.91 times. Applications were submitted by 23 Special Investors in total.

The total demand from the applications of 368 Private Investors, submitted during the Public Bidding, amounted to 963,267 New Shares.

Therefore, the total demand from the Special Investors and Private Investors' applications submitted during the Public Bidding amounted to 3,552,399 New Shares, exceeding the available 2,224,560 New Shares, by approximately 1.60 times.

Subsequently, on Tuesday, 14.07.2020, the following actions were performed:

- Release of investors' funds and payment of the distributed Shares by the Special and Private Investors
- Certification of the payment of the raised capital by the Issuer
- Delivery of Shares to investors through registration in their Shares in the Intangible Securities System
- Publication of an announcement for the commencement of trading

Furthermore, on Wednesday 15.07.2020, the process of listing the Company's shares in the Regulated Market of the Athens Stock Exchange was completed through the following actions:

- Deletion of the Shares from the Alternative Market of the ATHEX
- Commencement of trading of the Company's Shares in the Regulated Market of the ATHEX

Therefore, the paid-up share Capital of the Company after the decision of the Extraordinary General Meeting of 15.11.2019 and the above listing of the Company's shares in the Regulated Market of the Athens Stock Exchange, as at 31 December 2020, amounts to four million twenty thousand euros (€ 4,020,000.00), divided into thirteen million four hundred thousand (13,400,000) common registered shares, with a nominal value of thirty cents (€ 0.30) each.

Shares providing special control rights

They do not exist.

Restrictions on voting rights

They do not exist.

Agreements of Company's Shareholder

The Company is not aware of the existence of agreements between its shareholders, which imply restrictions on the transfer of its shares or the exercise of voting rights deriving from its shares.

Rules for the appointment and replacement of Board members and amendment of the Articles of Association

The rules provided by the Company's Articles of Association for the appointment and replacement of the members of the Board of Directors do not differ from what is provided by Law 4548/2018.

Responsibility of the Board of Directors or certain Members of the Board of Directors for the issuance of new Shares or the purchase of own Shares in accordance with article 49 of Law 4548/2018

The Company at the Ordinary General Meeting of Shareholders of 29th June 2018 decided the purchase of own shares in accordance with article 16 of Law 2190/1920 and article 49 of Law 4548/2018 at up to 5% of all Company's existing shares, with a maximum purchase price of € 5.00 and a minimum of € 0.50 per share, within twenty-four (24) months from the day of this decision by this Ordinary General Meeting. It also authorized the Board of Directors to make use of this decision at its discretion and according to market conditions.

Then, in June 2020, EPSILON NET S.A. announced to the investing public, the completion/expiration of the aforementioned own shares purchase program, during which (i.e. from 29/06/2018 to 29/06/2020) the Company acquired 24,949 own common registered shares representing 0.22% of its share capital with an average purchase price of 1.4567 euros per share and a total value of 36,342.62 euros.

Finally, at the Ordinary General Meeting of Shareholders of 2nd September 2020 the Company decided to purchase from the Company own shares up to 5% of its paid-up share capital (including the shares previously acquired and owned by the company), according to article 49 of Law 4548/2018, within (24) months from approval, i.e. until 02/09/2022, with a minimum acquisition limit of 1.00 euros per share and a maximum acquisition limit of 5.00 euros per share and the Company's Board of Directors was authorized to determine the exact time, number and price of the shares to be acquired within the above limits.

On 31st December 2020, the date of preparation of the Annual Financial Statements, none of the Group's companies hold own shares.

Significant agreements that enter into force, are amended or expire in the event of a change of control following a public offer.

There are no agreements that enter into force, are amended or expire in case of change of control of the Company following a public offer.

Agreement that the Company has concluded with members of its board of directors or with its personnel, which provides for compensation in case of resignation or dismissal without good reason or termination of their term of office or employment due to the public proposal.

Does not exist.

8) SIGNIFICANT EVENTS THAT HAVE HAPPENED UNTIL TODAY

Important events concerning the fiscal year 2020

- 14-02-2020: The parent company decided to enter into a technological cooperation at a strategic level with the company SYSCO SA. This collaboration intended to further utilize the Group's PYLON technology and combine the experience of SYSCO S.A. in the provision and support of Business Software in the Hotel and Tourist Units. The implementation of this cooperation, which progresses as initially planned, has contributed to the development and provision of integrated solutions for the hotel units and the restaurants in Greece.

- 21-04-2020: At its BoD meeting on 16th April 2020, the parent company decided to elect Ms. Aikaterini Daskalopoulou daughter of George as a new Non-Executive Member of the Board of the Company Board as a replacement of the the resigned Non-Executive Member, Mr. Spyridon Pampoukidis, and for the remainder of the term of the Board of Directors of the Company, that is until 15/11/2024.

- 27-04-2020: Parent company was awarded for the 6th consecutive year by the internationally accredited organization GreatPlace to Work, as Best Workplace Hellas 2020, maintaining one of the leading positions in the category of over 250 employees and once again proving its people-centered character.

- 30-06-2020: Parent company announced to the investing public, the completion / expiration of the program for the purchase of own shares, which had been approved in accordance with the provisions of article 16 of codified law no. 2190/1920, by the Ordinary General Meeting of the Company's Shareholders of 29th June 2018. During the above program (ie from 29/06/2018 to 29/06/2020) the Company acquired 24,949 own common registered shares representing 0.22% of its share capital with an average purchase price of 1.4567 euros per share and a total value of 36,342.62 Euros.

- 02-07-2020: Parent company announced the release of a Newsletter according to Regulation (EU) 2017/1129 and implementing regulations 2019/979 and 2019/980 and Law 3401/2005, regarding the Public Bidding of up to 2,224,560 new, common, voting shares of its registered shares, with voting rights, which will be issued in the context of the increase of its share capital by cash payment and with the abolition of the pre-emptive right of the old shareholders and for the listing of all the shares in the Regulated Market of the Athens Stock Exchange (hereinafter the "ATHEX"), according to the decision of the Extraordinary General Meeting of the Company's shareholders dated 15.11.2019, in combination with the decision of the Board of Directors of the Company 25.06.2020.

- 10-07-2020: "ALPHA BANK SA" as Coordinator Chief Contractor and Issuing Consultant for the listing of the shares of the parent company in the Regulated Market of the Athens Stock Exchange, after the completion of the Public Bidding on 10.07.2020, announced that a total of 2,224,560 new common registered shares of the Company were sold. The final Bidding price of the New Shares of the Public Bidding was set at € 2.40 per New Share.

- 14-07-2020: The Company's Board of Directors announced that the revenues of the Public Bidding amounted to € 5.34 million, which, after deducting the issue expenses of € 420 thousand, amounted to € 4.92 million and will be available for (a) the participation in IT and technology companies, (b) the development of new software products for vertical markets in Greece and/or abroad, and (c) the participation in international IT exhibitions with the aim of finding partners for the expansion of the Group abroad, in accordance with the provisions of the Newsletter dated 01.07.2020.

- 15-07-2020: The Athens Stock Exchange welcomed the company Epsilon Net on the occasion of the listing of its shares to be traded on the Main Market of the Stock Exchange, 12 years after the listing of the company in the Alternative Market. The traditional bell was rung by the President and CEO of Epsilon Net, Ioannis Michos.

- 16-07-20: The parent company announced, in accordance with the provisions of article 9 par. 5 of L. 3556/2007, that after the completion and full coverage of the increase of its share capital by cash payment and with abolition of the pre-emptive right of the existing shareholders, which was decided by 15.11.2019 decision of the Extraordinary General Meeting of the Company's shareholders and specialized with the decision of the Board of Directors dated 25/06/2020 and the listing of the total of 13,400,000 common registered shares of the Company for trading on the Regulated Market of the Athens Stock Exchange on 15.07.2020, its paid-up share capital now amounts to 4,020,000 euros and is divided into 13,400,000 common, registered voting shares, with a nominal value of 0.30 euros each.

- 17-07-2020: The main shareholder Mr. Ioannis Michos informed in his letter of 16.07.2020 to the Hellenic Capital Market Commission and the Issuer that after the completion of the share capital increase of the issuing company, its participation percentage in the total share capital and of the Issuer's voting rights, decreased from 84.79% to 70.71%, which corresponds to 9,475,366 voting rights of the Company.

- 13-07-2020: Info Quest Technologies and Epsilon Net announced the beginning of their cooperation for the launch of the Epsilon Smart web application in the Greek market, through the Cloud Services platform www.QuestonCloud.com and its network of partners Info Quest Technologies. Epsilon Smart is a complete Web application for the online issuance of tax documents and commercial management for small and medium-sized enterprises and freelancers, which ensures full connection with AADE's myData platform.

- 31-07-2020: The parent company announced the conclusion of the agreement for the purchase of the majority of shares of the company HOTELIGA International sp. Z o.o based in Poland. The transfer agreement signed with the company AILLERON S.A. listed in the Polish Stock Exchange concerned the payment of the price of one hundred and fifty thousand euros (150,000.00) for the acquisition of 51% of the shares held by the said company in HOTELIGA International sp. Z o.o.

- 03-08-2020: The parent company announced its certification as a service provider of electronic data issuance and the licensing of Epsilon Digital, which is one of the first softwares to receive the relevant licensing from the Independent Public Revenue Authority (AADE) as an electronic billing provider software.

- 18-09-2020: Parent company, applying the provisions of Law 3556/2007, informed the investing public that the shareholder under the name “BARCA GLOBAL MASTER FUND L.P.” acquired shares and voting rights on 17.09.2020 and now holds a total of 811,000 shares, corresponding to 6.05% of the total voting rights of EPSILON NET S.A.

- 28-09-2020: The Epsilon Net Group won 6 awards at the BITE Awards 2020 confirming for the 9th consecutive year its successful presence at the Business IT Excellence Awards, the most important institution for awarding technological innovation in Greece.

- 06-10-2020: The parent company announced its decision to distribute Dividend – according to par. 4.1.3.4 of the Athens Stock Exchange Regulation, after its Ordinary General Meeting on 02 September

2020, with which it decided the distribution of Dividend for the fiscal year 2019 in favor of the shareholders of the Company amounting to € 348,694.80 or 0.026022 per share (gross dividend).

- 22-10-2020: Parent company announced that the company "MARFIN INVESTMENT GROUP SA. HOLDINGS" ("MIG") announced in the context of the evaluation process of expressions of interest for the acquisition of its participation in the company "SINGULAR LOGIC S.A. Information Systems and Applications" ("SINGULAR LOGIC") with "EUROXX Securities SA" Financial Advisor, that it will now proceed with discussions with the investment group "EPSILON NET SA" – "SPACE HELLAS SA" on the preparation of a contract for the purchase and sale of shares of SINGULAR LOGIC.

- 27-10-2020: Parent company announced the acquisition of 80% of DATA COMMUNICATION SA, (DATA COMMUNICATION MACHINE S.A. BUSINESS) company that is active in providing integrated IT solutions to companies and organizations in the private and public sector, as well as in accounting firms.

- 29-10-2020: Parent company announced the release of the Information Note for the acquisition of 80% of the company shares with the name "DATA COMMUNICATION COMPANY SOCIETE ANONYME BUSINESS COMPUTERIZATION".

- 23-11-2020: Parent company announced its participation in the ATHEX Small Cap Conference, organized by the Athens Stock Exchange, on Monday 23rd and Tuesday 24th November 2020. Due to the special circumstances, the event took place online with the participation of 15 listed companies. Institutional investors, stockbrokers and analysts, from Greece and abroad, were informed about the business course and financial results of EPSILON NET as well as about its investment plans and prospects.

- 30-11-2020: Parent company announced that the sale agreement (SPA) of 99.61% of the shares of SINGULAR LOGIC S.A. Information Systems and Applications (SINGULAR LOGIC) has been signed by the companies MARFIN INVESTMENT GROUP S.A. HOLDINGS (MIG) and TOWER TECHONOLOGY HOLDINGS (OVERSEAS) LIMITED equally in the companies EPSILON NET S.A. and SPACE HELLAS SA.

- 11-12-2020: 4-time distinction of the Epsilon Net Group at the Accounting Awards, once again confirming the high level of quality and innovation of the products and services it offers, receiving a total of 4 distinctions!

- 28-12-2020: Parent company proudly announced that it obtained the Certification of Great Place to Work®, (CERTIFIED by Great Place to Work®) after a methodical and thorough evaluation, which was carried out by the organization Great Place to Work® Hellas. This Certification is based primarily on the immediate, anonymous and confidential evaluation carried out by the company's employees regarding their experience from their work environment.

Significant events after the end of the fiscal year 2020 and until the date of publication of the Annual Financial Report

- 11-01-2021: Parent company, following the Announcements of 21/10/2020, 30/11/2020 and 30/12/2020, announced the successful completion of the purchase process of the shareholding of "MARFIN INVESTMENT GROUP S.A. HOLDINGS" ("MIG") in "SINGULAR LOGIC S.A. Information Systems and Applications") ("SINGULARLOGIC") from the investment scheme "EPSILON NET" and "SPACE HELLAS", with the signature of the deed of transfer of the entire participation of "MIG" which it directly and indirectly owns (through its subsidiary "TOWER TECHNOLOGY HOLDINGS (OVERSEAS) LIMITED" by 100%) in SINGULARLOGIC.

- 12-01-2021: Epsilon Net and Space Hellas both announced the election and formation of the new Board of Directors of SingularLogic, which consists of following members: Spyridon Manolopoulos - President, Vasiliki Anagnostou - Vice President, Ioannis Michos - Chief Executive Officer, Ioannis Mertzanis - Deputy Chief Executive Officer.

- 19-01-2021: The Release of the Information Note was announced to the shareholders and the investing public, for the acquisition of 49,835% of the shares of the company "SingularLogic Information Systems and IT Applications Societe Anonyme" and the distinctive title "SINGULARLOGIC SA".

- 22-01-2021: EPSILON NET S.A. and SPACE HELLAS S.A. announced the establishment of a new company, with the name "Epsilon SingularLogic IT Societe Anonyme" and with the distinctive title: "Epsilon SingularLogic SA.".

- 02-02-2021: The myData Connector of the Epsilon Net Group was chosen by EYDAP - EYDAP SA, the largest company in Greece active in the water market, trusted Data Communication, a member of the Epsilon Net Group, and Deloitte, a leader in the field of consulting services, for the implementation of the myData Connector application, the innovative SaaS solution, certified by Microsoft, for the direct and flexible interconnection of its computer system with the myDATA platform of AADE, within the framework of the mandatory harmonization requirements of AADE electronic books.

- 19-02-2021: The sale of the participation in the company “SUPERVISOR SA” was announced (percentage 35.16% in the share capital of “SUPERVISOR SA”) for a total price of € 150,470.00, as well as the withdrawal from this activity.

- 01-03-2021: EPSILON NET S.A. and SPACE HELLAS SA, following the announcement dated 22/01/2021 for the establishment of the company Epsilon SingularLogic SA, announced the next steps of their business planning, with the ultimate goal of exploiting the business opportunities created by the challenge of digital transformation in the public and private sectors.

Effect of the COVID-19 Pandemic

On 11 March 2020, the World Health Organization declared a SARS CoV 2 coronavirus infection as a Pandemic. The Greek government immediately put the entire health resources on alert and took a series of decisions aimed at slowing down the spread of the virus while announcing a series of targeted measures to reduce the impact on society and the economy.

The emergence and evolution of the COVID-19 pandemic, in combination with the measures taken to deal with it, had a negative impact on economic activity both internationally, nationally and locally.

In this context, the Epsilon Net Group, with responsibility, determination and commitment to its corporate values in this difficult time, actively participated in the effort of the Greek state to limit the spread of coronavirus (COVID-19) in the protection of public and of private health, successfully implementing a series of special measures to deal with its transmission, in accordance with the decisions and suggestions of the Ministry of Health, NPHO, of the Committee of Infectious Diseases, which in full harmonization with the decisions of the ECDC and the recommendations of the World Health Organization, aimed at the health and safety of employees, customers, and associates of the Group and their families.

The Management of the Group responsibly acted immediately taking measures to ensure:

a) The health and safety of employees, customers and partners.

b) The business continuity of the Group's activities with the utilization of the Group's technological infrastructures

c) Minimizing the operational and financial consequences of COVID-19 dispersion measures.

Specifically:

- The Company proceeded to total disinfection of all its premises and offices in Thessaloniki & Athens as a general preventive measure
- The Occupational Physician initially informed the Company staff in detail about the pandemic and its consequences, while then he was in constant contact with them to solve all the questions, giving clarifications and medical instructions where required.

- Systematically and at regular intervals, the Human Resources Department informed and continues to inform about the ways of prevention and protection of employees and their families (with emphasis on vulnerable groups) in accordance with the instructions of NPHO.
- Instructions for staying at home were given immediately to those who showed even mild symptoms of seasonal flu.
- All business trips stopped immediately and completely.
- All teleworking infrastructures in which the Group had already invested were activated and from 23.03.2020 90% of the Company's staff and all its subsidiaries implemented teleworking with absolute success and safety
- The staff was informed about the possibility of utilizing and issuing special purpose permits.
- Visits to and from external partners and customers have stopped.

The Epsilon Net Group, having steadily invested in technologies and equipment that support remote work and guarantee maximum security in data management, with the appropriate training of all its staff, designed and implemented policies & procedures for full remote work, without changing the high level in the way of communication / support with its customers and external partners.

With an absolute sense of responsibility for the health and safety of the Group's employees and their families, almost all the staff work consistently from home and with absolute success the operation of all the companies of the Group continues smoothly and efficiently.

According to the PWC study on the effects of the pandemic on Greek companies in contrast to the generally pessimistic climate that prevailed during the outbreak of the pandemic, Greece has shown particularly rapid reflexes in managing the health crisis. The digitization of critical functions of the public administration was accelerated, pushing the modernization of the State and creating the background for the next day. At the same time, a significant portion of companies, despite the digital deficit that characterized them in general, showed strong capabilities to adapt to the needs of the pandemic by adopting the practice of teleworking and other digital solutions to continue its operation, such as e-commerce. According to the data recorded by the Ministry of Finance for the month of October, there was an increase of electronic transactions by € 3 billion compared to the corresponding period last year. At one-month level, the Greek economy shrank less than the Eurozone economy (8.5% vs. 9.2%), while strong European economies experienced a much deeper recession in the first 9 months of 2020. The positive course that Greece had before pandemic in combination with the strengthening of critical sectors in the midst of the health crisis, strengthens the position of Greece internationally, as reflected in the ranking of the International Institute for Management Development (IMD) for the international competitiveness of economies. The ranking takes into account the country's economic performance, the performance of the public and private sectors and the quality of infrastructure. In the midst of a crisis, Greece managed to secure € 12 billion in financing from international markets in 2020, with the lending rate hovering around 1.7% on average. The low lending rates, despite the difficult conditions that the Greek economy is experiencing due to the pandemic, are based on the inclusion of Greek Bonds in the quantitative easing program of the European Central Bank but at the same time confirm the maintenance of lenders' confidence in the country's prospects. The relatively better course followed by the Greek economy compared to other European countries, the effective management of the pandemic and the progress achieved in particularly adverse conditions strengthens confidence in the country's prospects and strengthens its image internationally.

In contrast to the economic crisis where the country had lost access to markets due to a lack of confidence, this time the additional fiscal needs of the economy are financed through borrowing from international markets and support from EU programs. The ability to borrow at low interest rates is a key factor, but also a significant challenge for the long-term viability of the Greek debt. For this reason, the country should invest in the logic of maintaining the climate of trust that has been built with the markets in recent years, through prudent fiscal policy combined with the implementation of the necessary reforms. The smooth adaptation of the economy to the post-Covid era and its speed of recovery are directly affected by the ability to raise funding. The continuation of the policy of quantitative easing by the European Central Bank is a major challenge for the country as it helps maintain investor confidence.

Currently, the impact on the Group's profit/loss due to the COVID - 19 pandemic is not significant. 2020 was another year of very positive performance in all economic figures despite the special circumstances. The COVID - 19 epidemic may have further negative effects on the global economy for 2021, while in the future it is likely to negatively affect the Group's activities or reduce the demand for its products and services. Each of these developments can have an impact on the Group's financial results in 2021, but the experience of recent months makes management more optimistic about achieving the goals set for 2021. After all, the initiatives taken by both The Greek Government and the European institutions are in favor of a positive scenario.

The Greek economy in the last decade has suffered a significant investment lag with the gross fixed capital formation falling from 22% of GDP in 2008 to just 10% in 2019, while the European average is moving over time to 20% of GDP. It is clear that the attraction of investments and the utilization of the available resources of the Recovery Fund, amounting to € 32 billion, where in total with the rest of the European resources that will flow by 2027, are expected to reach a total of € 72 billion, are emerging as catalysts for accelerating the economic recovery. The main challenge for Greece after the end of the pandemic is the maximum possible absorption of the available resources of the Recovery Fund by including strategic projects mature for implementation and with a high multiplier, but also by upgrading public infrastructure. Businesses will also play an important role in the absorption of the Fund's resources. Based on the National Recovery Plan, they should be properly prepared for the opportunities that will present themselves to the economy, submitting integrated business plans for financing, especially in the fields of digitization and energy upgrading. The Group is at the starting point of this course, having all the possibilities to take advantage of the opportunity and to provide high level services and products in the private and public sector in the context of the digital transformation of the country.

However, given the changing nature of the epidemic, the extent to which COVID - 19 will affect the Group's performance will depend on general future developments, which remain uncertain and cannot be safely predicted at this time. The further spread of COVID - 19 is likely to cause an economic slowdown or recession, which may adversely affect demand for the Group's products, or cause other unforeseen events, each of which could have an impact on business, in the operating results or in the financial situation of the Group.

The impact of the extremely difficult situation of the domestic and global economy for the duration of 2021, is considered not to have particularly negative consequences on the financial situation of the Group (as in 2020) for a number of reasons, the main ones of which are:

A) The Group has a very strong clientele, numbering over **70,000** active customers after the acquisitions of the companies DataCommunication S.A. and SingularLogic S.A., with a wide range of software programs, which does not create dependencies on specific customers and shares the risk.

B) The Group's clientele covers a wide range of activities of the domestic economy and is not expected to expose it to major negative changes that may occur due to COVID-19 in specific sectors of the Greek economy.

C) In addition, the non-dependence on high value contracts (which may exist in other IT companies), creates financial stability as the Group's average pricing per customer is low, leads to high receivables and drastically reduces exposure and dependence on "large" customers.

D) The software and services of the Group are necessary for the daily operation of the companies, as they are commercial programs but also payroll calculations and personnel management programs, which are the absolutely necessary tools for all companies to continue their operation and data exchange. with state authorities. The essential usefulness of the Group's tools was enhanced by the impact of the measures to deal with the financial consequences of COVID-19, as their utilization by companies and accounting required robust and up-to-date information systems with immediate adaptation to the constant changes of special Employment, Insurance and Tax provisions.

The high rate of return enables the Group (in any possible development of the effects of the pandemic) not to require significant additional funds or significant additional credit lines in relation to the existing ones in order to meet its financing needs and to continue its operation smoothly in every level.

At the date of preparation of the Financial Statements, due to the effects of the COVID-19 pandemic, there was no termination of existing customers' contracts and therefore the part of sales coming from existing customers was not affected.

In accordance with the requirements of IAS 10, the impact of the financial impact of the COVID-19 pandemic is a non-corrective event for the financial statements ended 31 December 2020. Depending on the development of the above parameters, the Management has prepared comprehensive operational and financial action in order to continue its full and efficient operation.

Apart from the already mentioned events, there are no events after the Financial Statements of 31st December 2020, concerning the Group, to which reference is required by the International Financial Reporting Standards (IFRS).

9) FINANCIAL RISKS MANAGEMENT

a) Significant judgments, estimates and assumptions

The preparation of the Financial Statements presupposes estimates and assumptions-making, which may affect the accounting balances of the assets and liabilities and the required disclosures for possible receivables and liabilities as well as the amount of income and expenses identified.

The activities conducted by the Group and the Company generate various financial risks such as credit risks, liquidity risks and market risks. The Group's and Company's strategy and policy is to prevent and minimize the unfavorable impacts that may arise from these risks.

The financial products that the Group and Company primarily use consist of trade receivable accounts, bank deposits, trade receivables discounting accounts, investments in securities and accounts payables. The accounting department in collaboration with its other divisions that manage these risks, is responsible for their detection, assessment and hedging, where necessary.

The use of adequate information and the application of subjective judgment are integral to conducting valuations of assets, liabilities from staff benefits, impairment of receivables, pending tax liabilities and pending legal proceedings. Estimates are considered important but not binding. Actual future results may differ from the above estimates. The most important sources of uncertainty in the Management's accounting estimates mainly concern the disputed cases and the unaudited fiscal years. Other sources of uncertainty are related to the management's assumptions regarding staff retirement plans such as salary increases, remaining years of service, inflation, etc. Also, a source of uncertainty is the estimate of the useful life of fixed assets. The above estimates and assumptions are based on the experience of the Management so far and are re-evaluated in order to be updated in the current market conditions.

(b) Significant contingencies and risks

Current Economic Developments in Greece

The digital transformation that is taking place today in both the private and the wider public sector is the most important factor for the development of the examined market. New international trends that demand the shift of businesses to Cloud Computing (which is a more flexible way of distributing software than on-premises software) and the utilization of their data (ICAP industry study - March 2020) also affect the domestic market

Furthermore, the intention of the Independent Public Revenue Authority (AADE) to compulsorily implement electronic invoicing and transmission as well as the application of electronic books (My Data) for all businesses, drives the developments of the digital transformation of businesses at a faster pace. The ability to use software applications via mobile (Mobile Applications) and the need to operate businesses remotely, especially at this time due to the COVID-19 pandemic, create new conditions in the business software market.

Risks related to the macroeconomic environment

On 11th March 2020, the World Health Organization (WHO) officially declared COVID-19, the disease caused by a coronavirus strain, / COVID 19 as a pandemic. Determining the duration and extent of the economic impact of the pandemic on Greek entrepreneurship involves considerable uncertainty and cannot currently be estimated reliably, as it depends on a number of factors, such as the precise definition of the context of returning to normality, the completion of the process of lifting the pandemic mitigation measures and of course State support measures for affected businesses. The Group's Management has ensured appropriate planning in order to deal with this situation by monitoring and evaluating the current development in order to respond immediately. In this context, the Management of the Group has concluded that the impact of the pandemic on sales and in general on the operation of the Group is manageable to the extent that it does not create doubts about its ability to continue its activity smoothly.
In any case, the Group's Management constantly and repeatedly examines the conditions created in the Greek economy, which also affect the IT market, adapts its strategy and acts towards the long-term interest of the participants (stakeholders) of the company.

- **Market Risk**

Market risk, which include foreign exchange risk, due to changes in foreign exchange rates, fluctuations that affect the prices of financial instruments due to a change in the interest rate and price risk, i.e. is the risk of a decline in the value of a financial instrument, due to a change in market prices either caused by factors that are specifically related to the instrument or to the issuer, or by factors that generally affect the market's tradable instruments.
Although the company is exposed to this risk, which primarily concerns foreign currency commercial transactions, management does not use financial tools to reduce this risk because it does not consider that the transactions are significant due to their value and frequency. However, the company's position in relation to the above risk and the use of specific financial management tools to reduce the risk is reviewed on an annual basis.
i. Foreign exchange Risk
Almost all transactions of the Group and the Company take place in euros, therefore there is no exposure to foreign exchange risk.
ii. Risk of Changes in Market Interest Rates and Price Risk
The Group and the Company have interest-bearing financial assets, such as demand and term deposits and equity securities. In addition, the Management's policy is to have a floating interest rate for the borrowing

products of the Company and the Group. Despite the fact that there is a risk for the group and the company, the management does not use financial tools to reduce this risk, because it does not consider the transactions important, due to their value and frequency. However, on an annual basis, the position of the company reassessed in relation to the above risk and the need to use specific financial instruments to mitigate it is evaluated.

iii. Cash flow interest rate risk

Cash flow interest rate risk is the risk of fluctuating future cash flows of a financial instrument due to a change in market interest rates.

With respect to the Group and the Company, this risk primarily stems from long-term loans, of which those that have been concluded with a variable interest rate expose it to a cash flow risk, whereas those that have been concluded with a fixed interest rate expose it to the risk of fair value changes of these loans. The Group and the Company's policy is to conclude loans with a variable interest rate, thus hedging the future cash flow risk with changes in the values of its sold goods, when significant changes are anticipated in the loan interest payments.

- **Credit Risk**

Credit risk is the chance of loss due to one of the contracting parties to a financial instrument not meeting contractual obligations causing financial loss to the other party. The Group and the Company are not significantly exposed to credit risk because on the one hand, wholesale trading is carried out with credible customers with a positively evaluated credit history and on the other hand, retail sales are primarily made in cash.

The Group and the Company's transactions with customers are developed after an assessment of their solvency and reliability, in order to avoid problems of late payments and bad debts. Customers' credit limits are monitored at regular intervals and redefined if necessary. Receivables from customers are widely dispersed and therefore credit risk is kept to a minimum. The fair value of the financial data at the closing of the balance sheet on 31/12/2020 is presented below:

	GROUP		COMPANY	
	31.12.2020	**31.12.2019**	**31.12.2020**	**31.12.2019**
Customers and other trade receivables	11,488,567.46	9,712,967.09	7,235,655.68	8,124,622.64
Relevant provisions	(1,339,929.42)	(1,044,834.35)	(1,101,651.12)	(938,587.14)
	10,148,638.04	**8,668,132.74**	**6,134,004.56**	**7,186,035.50**

At the closing of the Balance Sheet as at 31/12/2020 the Management deems that there is no credit risk not covered by the provision for bad-debt receivables.

- **Liquidity risk**

Liquidity risk is due to difficulties in finding capital to cover liabilities that are related to financial instruments.

The Group and the Company have a low exposure to liquidity risk as they have sufficient cash and cash equivalents to cover short-term liabilities. In addition, it has high limits on unsecured bank financing. The ratio of current assets to short-term liabilities for the Group on 31/12/2020 was set at. 263.0% compared to 271.3% on 31/12/2019 and respectively for the Company on 31/12/2020 it was 261.4% compared to 236.8% on 31/12/2019.

The following table presents the maturity analysis of the financial obligations of the Group and the Company:

GROUP				
	31.12.2020			
	Up to 1 year	**From 2 to 5 years**	**Over 5 years**	**Total**
Borrowing	4,185,465.68	10,865,126.36	-	**15,050,592.04**
Lease liabilities	584,347.88	1,692,084.50	281,159.84	**2,557,592.22**
Suppliers and Other Trade Liabilities	7,849,924.05	138,598.06	-	**7,988,522.11**
	12,619,737.61	**12,695,808.92**	**281,159.84**	**25,596,706.37**
	31.12.2019			
	Up to 1 year	**From 2 to 5 years**	**Over 5 years**	**Total**
Borrowing	2,552,049.43	4,252,785.18	-	**6,804,834.61**
Lease liabilities	348,424.65	1,025,904.68	413,659.70	**1,787,989.03**
Suppliers and Other Trade Liabilities	3,766,267.38	133,267.86	-	**3,899,535.24**
	6,666,741.46	**5,411,957.72**	**413,659.70**	**12,492,358.88**

COMPANY				
	31.12.2020			
	Up to 1 year	**From 2 to 5 years**	**Over 5 years**	**Total**
Borrowing	2,941,021.22	9,068,278.40	-	**12,009,299.62**
Lease liabilities	313,012.06	747,980.43	217,880.87	**1,278,873.36**
Suppliers and Other Trade Liabilities	4,977,172.41	132,897.30	-	**5,110,069.71**
	8,231,205.69	**9,949,156.13**	**217,880.87**	**18,398,242.69**

	31.12.2019			
	Up to 1 year	**From 2 to 5 years**	**Over 5 years**	**Total**
Borrowing	2,513,119.63	4,222,178.93	-	**6,735,298.56**
Lease liabilities	297,122.50	890,385.76	309,836.70	**1,497,344.96**
Suppliers and Other Trade Liabilities	2,707,022.75	133,267.86	-	**2,840,290.61**
	5,517,264.88	**5,245,832.55**	**309,836.70**	**11,072,934.13**

- **Other Operating Risks**

The insurance coverage for assets and other risks is deemed adequate as at 31/12/2020 for the Group and the Company. Moreover, the Management of the Group and Company has installed an adequate and reliable internal control system to prevent risks associated with its commercial operations.

- **Capital Management Risk**

The objectives of the Company in relation to capital management are to ensure the possibility of smooth operation of the Company in the future in order to provide satisfactory returns to shareholders and other participants and to maintain an ideal distribution of capital thus reducing the cost of capital.
In order to maintain or adjust its capital structure, the Company may change the dividend to shareholders, return capital to shareholders, issue new shares or sell assets to reduce its debt.
In accordance with similar practices in the industry, the Company monitors its capital based on the leverage ratio. This ratio is calculated by dividing net borrowing by total capital employed. Net borrowing is calculated as "Total borrowing" (including "short-term and long-term borrowing" and the balance of lease liabilities as shown in the statement of financial position) less "Cash and cash equivalents". Total employed capital is calculated as "Own Equity" as shown on the balance sheet plus net borrowing.

The leverage ratio on 31 December 2020 and 2019 respectively was as follows:

(amounts in 000 €)	GROUP		COMPANY	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Total borrowing liabilities (Note 26)	15,050,592.04	6,804,834.61	12,009,299.62	6,735,298.56
Lease liabilities (Note 27)	2,557,592.22	1,787,989.03	1,278,873.36	1,497,344.96
Less:				
Cash and cash equivalents (Note 19)	20,788,875.39	8,593,947.46	13,844,031.22	5,320,158.43
Net borrowing amount	(3,180,691.13)	(1,123.82)	(555,858.24)	2,912,485.09
Total Equity	22,205,642.44	13,506,552.06	19,253,716.06	12,550,312.64
Total employed capital	19,024,951.31	13,505,428,.24	18,697,857.82	15,462,797.73
Leverage ratio	**(16.72%)**	**(0.01%)**	**(2.97%)**	**18.84%**

10) NON-FINANCIAL INFORMATION L. 4548 / 2018

i. Brief description of business model

Epsilon Net S.A. is a rapidly growing group of companies that engages in the sectors of IT, in the development of software, the creation of digital content on the internet and the provision of integrated information, as well as training and education on issues related to tax and labor law and case law, and employs over 500 employees.

Since 2008 the Company has been listed on the Alternative Market of the Athens Stock Exchange and since 2020 on the Main Market of the Athens Stock Exchange, due to its reclassification. After the acquisitions of the companies Data Communication S.A. και SingularLogic S.A., the Epsilon Net group of companies' products are trusted by more than 70,000 customers (accounting offices and businesses) and it has an ever-growing network of more than 300 partners throughout Greece.

The business model that has been adopted by EPSILON NET S.A. aims at achieving a maximum return through the cooperation of its business units and its subsidiaries, while maintaining its flexibility, competitiveness and strategic actions that will allow it to dynamically address the challenges of an ever-evolving market, especially in the fields of IT and high-tech products.

ii. Vision, Goals, key values and strategy

Vision:

"To establish the Group as a reference point in the IT sector - nationally and internationally, providing each business unit with modern software applications that will help in their digital transformation and in the optimal utilization of information for their maximum development as well as unlimited access to scientific information. and knowledge, making the most of the possibilities provided by high technology."

Mission:

"To follow the developments in the technology and information society, creating specialized and reliable products and high-quality services, in order to fully meet the needs of all business units."

<u>Corporate values</u>:

- Reliability and High-Quality Products: In a rapidly evolving business, businesses 'need technologically advanced and reliable software systems that provide innovative solutions and security,
- Customer Commitment: we form not only formal business transactions, but we build strong relationships of cooperation and trust with our customers,
- Respect, Merit & Equality: we respect every employee, having as primary concern the assurance of merit, with emphasis on teamwork and cooperation, offering a pleasant working environment,
- Continuous training and scientific documentation: We encourage the culture of continuous self-learning and encourage all employees to participate in any activity that develops their skills and knowledge; we stand by our position for scientific documentation that governs all the activity and operation of the organization,
- Smile and "passion": They are a source of inspiration and creativity throughout the company and the Group,
- Optimism: We face every crisis as an opportunity and a new challenge, and with optimism we find solutions and become better,
- Creativity: With positive energy, ingenuity, passion for technology, we design and create products and solutions for all businesses regardless of size,
- Value Creation: We create value for all the participants and shareholders of the Company.

<u>Competitive advantage</u>:

- We provide integrated solutions that cover all the needs of the business regardless of size and object,
- Significant investment in new technology (Hybrid Technology) in the last 5 years that led to the creation of the Pylon platform and the software applications developed based on it,
- Products that cover all companies regardless of size and industry,
- Modern products and information and knowledge services that are effectively combined with software products,
- Providing specialized training services for business executives that enable participants to effectively deepen their knowledge on the changes that take place tax and employment but also in the assimilation of knowledge,
- High level Management team,
- Management with vision and strategy,
- Commitment to the principles of corporate governance.

Strategy:

Epsilon Net Group's strategy concerns both business development and expansion, as well as the development – provision of integrated IT solutions and services. In particular, the areas in which it focuses with targeted actions are the following:

- Strengthening the people-centered model of management and the further utilization of the Company and the Group's human resources, aiming at the organic development and the possibility of supporting the requirements of the growing clientele of the Group,
- Expansion in Greece and abroad through technological collaborations utilizing the PYLON platform (ISV partnership agreement),
- Expansion of market share in the field of accounting firms and tax authorities through the constant provision of support services, information and innovative solutions,
- Development of sales in the fields of Human Resources (HR) and payroll systems by extending the solutions to specialized categories of businesses and objects of staff monitoring, training and evaluation
- Development of sales to companies with needs for new business software systems, which include:
  a) Enterprise resource planning (ERP) Systems,
  b) Customer Relationship Management (CRM) Systems, and
  c) Commercial Applications,
- Integrated approach and coverage of the needs of the "very small" and "small" and "individual" businesses of the Greek market, which, due to the new framework of "Digital Transformation" prepared by AADE for electronic books (myDATA), will also proceed in the digitization and monitoring of their financial activities.
- Strengthening the cooperation with alternative product distribution channels in the Greek market,
- Utilization of the hybrid technology of the PYLON platform and the expansion in modern technologies and applications in the field of Financial Technology (FinTech),
- Maintaining sufficient liquidity by expanding commercial partnerships and taking advantage of the comparative advantage held by the Group in the industry,
- Continuous increase of the operational efficiency of the business actions of the companies of the Group in combination with the cost advantages which derive from the maximization of the synergies within the Group

Towards this strategy, there are three (3) business units of Epsilon Net:

- Epsilon Net Software in the field of business software development,
- Epsilon Net Network with modern Products & Online Information Services,
- Epsilon Net Training in the field of education with the operation of the Epsilon Net College approved by the Ministry of Education and training with the operation of K, D, B, M level 2,

Corporate Responsibility in the Epsilon Net Group,

Through the Values that it advocates, Epsilon Net Group develops and creates value over time, in harmonisation with actions for the society, the employees and the environment, with responsibility and sensitivity for people.

Corporate governance, transparency and anti-corruption

The Group believes that the correct application of the Principles of Corporate Governance, is the key, not only for the sustainable development of its Companies, but also to ensure the satisfaction and safeguarding of the legal interests of all those associated with the Group's Companies. In this context, it operates with integrity in all its activities, adopting ethical business practices and conducting its activities with transparency and reliability. Bribery or any other corrupt practices are explicitly prohibited in our companies. In any case, the Company's Management is completely againstcorruption, money laundering, bribery or other immoral or illegal activity.

Personal data protection

At EPSILON NET the protection of our Customers' Personal Data and the respect of the individual's privacy on the internet is a self-evident commitment. We take all the necessary organizational and technical measures required to ensure the security, availability and validity of our users' and customers' data.

Personal data we collect: The Company collects and processes data exclusively for the purposes of its legal and proper operation and to offer its customers and internet users the best possible user experience.

Cookies and similar technologies: The Company uses cookies (small text files placed on your device) and similar technologies and services that use the IP address for the provision of its websites, but also of its mobile applications and online services.

Use of personal data: The Company uses the data it collects exclusively for the conduct of its business activities and the provision (including improvement and personalization) of the products and services it offers, and for sending communications, including promotional material via e-mail or telephone (commercial promotion, offers etc.).

We share the data we collect with legal or natural persons only after the customer's consent.

Period of personal data processing: The storage and processing of the data of the customers and users of our services is done exclusively and only as permitted by law or according to the explicit consent of the users only for as long as required.

Responsibility for Employees

For the Epsilon Net Group, people constitute a wider family and are clearly its most important asset. Traditionally, the Group's approach is anthropocentric and the development of an ideal working environment is a commitment of the Group's Management for all its Companies. All the Group's employees contribute to the maximum with a common vision to the achievement of the business goals that are set, always maintaing the Group at the heart of technology. The constant care for the employees, but also for their families, has created a continuously award-winning working environment.

- **Human Right and equal opportunities**

Both in the Company and the Group, human rights are a cornerstone for their operation. In this context, the Group, defending the principles and values of human rights, prohibits the recruitment and employment of persons who have not reached the legal age for work. The Group's Management is opposed to child labor and condemns all forms of forced and compulsory labor, and there is no question of such incidents occurring in any company of the Group.

In addition, the Epsilon Net Group is committed to providing equal opportunities to all individuals regardless of gender, age, color, race, national origin, socioeconomic background, religion or political beliefs.

Proof of the above is that in the 20 years of operation of the Group, there has never been any recording or reporting of an incident or even a complaint of discrimination due to diversity, as well as no incident of child labor or forced labor and any kind of harassment.

- Respect for workers' rights and trade union freedom

Workers' rights are fully respected and there is a climate of working peace. Trade union freedoms are not restricted in any way and every employee is free to join trade unions.

- Training and development

A key priority is the systematic education and training of employees. The continuous training opportunities that the Group offers to its employees are particularly important, both for the personal and professional development of its executives and employees, and for the achievement of business success, as the daily enrichment of the knowledge base of the employees is necessary in the constantly evolving IT sector which the Group's companies belong to. An educational plan is prepared every year, in order to meet all the needs set by the employees themselves, by participating in training programs, in order to successfully meet the requirements of the most modern technology. To meet the needs of the educational institution of the company Epsilon Net Training and the Epsilon Net College, modern, certified educational centers have been created in Thessaloniki and Athens, which contribute to the aim of providing top-level vocational training with integrated material and technical infrastructure and care in every detail. In addition, the staff is constantly evaluated by the responsible managers and the relevant reports are evaluated by Management for possible promotions, salary increases, employee transfers.

- **Health and Safety at work**

The Group's Management, with responsibility for the employees' health and safety, ensures the necessary conditions that guarantee the health and safety of its employees. In this context, the Company and the Group employ an occupational physician, who examines the company's staff every month, certifying their work suitability and in any case is available to all employees to address personal health issues. In addition, in order to ensure healthy and safe working conditions for all, it provides advice such as frequent breaks for those who work at a computer, proper posture, etc.

Finally, the Group constantly invests in building infrastructure, and in its facilities in Thessaloniki and Athens, in order to ensure easy access and exit, security and technological faultlessness, while throughout the year, visits are made by a Security Technician. who oversees compliance with safety rules.

Environment Responsibility

Environmental protection is a matter for all of us and Epsilon Net's Environmental Policy governs all aspects of corporate activity.

Some of the actions taken are: the placement of paper and battery recycling bins within the company, the incorporation of the phrase “think before you print” in the corporate personal signature of the employees, selection of special lamps for lighting spaces in order to save energy and notices throughout the workspaces reminding everyone to turn off electronic devices,

In light of this and recognizing the criticality of the environmental problem, the Company and the Group do not burden the environment due to the nature of their activities (software development - provision of educational services). The IT sector and the provision of educational services do not provide for specific procedures for the prevention of environmental impacts.

Social Responsibility

-Employee volunteering and the Group’s offer to Society

The offer, respect and responsible attitude towards the society, is an integral part of the culture and the Values of the Group from the beginning of its operation.

The staff of the Group’s Companies participates voluntarily in its actions, offering materials, time, love and above all a warm hug and a smile for all our fellow human beings who need it. The actions organized by the Company mainly concern the collection of essential items for organizations, actions for the protection of the environment and general actions for the support of institutions and non-governmental organizations.

In particular, the Company and the Group ensures and:

- Organizes blood donations for staff in order to immediately distribute blood and platelets to employees or employees’ relatives and third parties.
- Collects plastic caps, which are given to clubs and organizations in order to buy wheelchairs for our fellow citizens who need them.
- During the Solidarity Week that is organized every year but also the project “Helping Santa” that runs every Christmas, it supports social groups that need help by collecting essential items, clothes, school supplies and toys, in order to offer to fellow human beings in need and to organisations that represent and care for them.

- Provides software programs and free training to use in associations such as "The Smile of the Child", Doctors Without Borders, "Arcturus", "Spastics Society of Northern Greece".
- During Christmas and Easter time, organizes a charity bazaar in its facilities in collaboration with the "Smile of the Child".
- Collaborates with educational institutions and provides access to their students on the company's premises in order to familiarize themselves with working conditions.
- Provides applications for learning accounting, tax and labor issues in University Institutions of the country, while in parallel with its contribution, Higher Education Institutions and Technical Education Institutions' libraries were enriched.
- Provides free training at its premises for new entrants in the labor market of the accounting industry.
- Actively supports sports by actively supporting sports clubs through sponsorships.

At the Epsilon Net Group, we apply a business model in which the Group's development coexists in harmony with corporate responsibility actions, with respect for people!

11) MAIN FINANCIAL PERFORMANCE INDICATORS

Financial Performance Indicators (FPIs)

The Company selects Financial Performance Indicators (FPIs) with the aim of providing comprehensive information to its shareholders and the investing public. The following FPIs are considered as the most important, they are widely used and their data is exported from its Financial Statements:

Group				2020		2019	
1	GROSS PROFIT MARGIN	Gross profit	12,927,981.96	60%	10,204,050.99	57%
		Sales	21,696,897.43		17,977,982.38	
2	NET PROFIT MARGIN BEFORE TAXES	Net Profit Before Taxes	3,303,672.23	15%	1,368,062.64	8%
		Sales	21,696,897.43		17,977,982.38	
3	RETURN ON EQUITY	Net Profit Before Taxes	3,303,672.23	15%	1,368,062.64	10%
		Equity	22,205,642.44		13,506,552.06	
4	CURRENT ASSETS / TOTAL ASSETS	Current Assets	33,194,288.69	67%	18,086,168.46	67%
		Total Assets	49,854,233.32		27,106,781.39	
5	DEGREE OF FIXED ASSETS FINANCING FROM EQUITY	Equity	22,205,642.44	204%	13,506,552.06	175%
		Fixed Assets	10,891,019.48		7,718,817.01	
6	ASSET LIQUIDITY RATIO	Current Assets	33,194,288.69	263%	18,086,168.46	271%
		Current Liabilities	12,619,737.61		6,666,741.46	
7	FOREIGN TO OWN CAPITAL	Total Liabilities	27,648,590.88	125%	13,600,229.33	100%
		Equity	22,205,642.44		13,506,552.06	
8	CAPITALIZATION INDEX	Fixed Assets	10,891,019.48	22%	7,718,817.01	29%
		Total Assets	49,854,233.32		27,106,781.39	

Company			2020		2019	
1	GROSS PROFIT MARGIN	Gross profit	8,067,260.69	55%	7,211,034.09	53%
		Sales	14,617,792.15		13,651,874.73	
2	NET PROFIT MARGIN BEFORE TAXES	Net Profit Before Taxes	1,859,069.59	13%	1,019,389.01	7%
		Sales	14,617,792.15		13,651,874.73	
3	RETURN ON EQUITY	Net Profit Before Taxes	1,859,069.59	10%	1,019,389.01	8%
		Equity	19,253,716.06		12,550,312.64	
4	CURRENT ASSETS / TOTAL ASSETS	Current Assets	21,514,093.48	55%	13,065,417.63	53%
		Total Assets	38,766,322.65		24,473,699.91	
5	DEGREE OF FIXED ASSETS FINANCING FROM EQUITY	Equity	19,253,716.06	327%	12,550,312.64	192%
		Fixed Assets	5,890,029.96		6,549,871.05	
6	ASSET LIQUIDITY RATIO	Current assets	21,514,093.48	261%	13,065,417.63	237%
		Current Liabilities	8,231,205.69		5,517,264.88	
7	FOREIGN TO OWN CAPITAL	Total Liabilities	19,512,606.59	101%	11,923,387.27	95%
		Equity	19,253,716.06		12,550,312.64	
8	CAPITALIZATION INDEX	Fixed Assets	5,890,029.96	15%	6,549,871.05	27%
		Total Assets	38,766,322,65		24,473,699.91	

12) ADDITIONAL INFORMATION

Branches of the Company and the Group Subsidiaries (inside and outside Greece)

The Group'σ companies based in Greece have branches only in Greece, which are listed as follows:

EPSILON NET SA

- Headquarters & Training Center of Thessaloniki – Side Road, 87, 17th November Str., PC 555 34, Pylaia, Thessaloniki
- Branch - 350 Syngrou Ave., PC 176 74, Athens, Attica
- Athens Branch / Training Center - 120 Syngrou Ave., PC 117 41, Athens, Attica

EPSILON PYLON SA

- Headquarters – Side Road, 87, 17th November Str., PC 555 34, Pylaia, Thessaloniki

EPSILON HR SA

- Headquarters - Side Road, 87, 17th November Str., PC 555 34, Pylaia, Thessaloniki
- Branch - 350 Syngrou Ave., PC 176 74, Athens, Attica

EPSILON SUPPORT CENTER SA

- Headquarters - 5-7 Andromachis Str., PC 566 24, Evosmos, Thessaloniki

DATA COMMUNICATION SA

- Headquarters – 2, P. Tsaldari & Zaimi, PC 151 27, Melissia, Attica
- Branch - Side Road, 87, 17th November Str., PC 555 34, Pylaia, Thessaloniki

Respectively, the Group's Companies with headquarters outside Greece have branches only in the countries of their headquarters' establishment, which are listed as follows:

EPSILON EUROPE PLC

- Headquarters – 2, Agia Fylaxeos & Zinonos Rossidi, PC 596 55, Limassol, 3015, Cyprus

EVOLUTIONSNT PLC

- Headquarters – 80, Strafford Gate, Potters Bar, Hertfordshire, EN3 1PG, England, United Kingdom

EVOLUTIONSNT (UK) LTD

- Headquarters – 80, Strafford Gate, Potters Bar, Hertfordshire, EN6 1PG, England, United Kingdom

HOTELIGA INTERNATIONAL SPÓŁKA Z OGRANICZONA ODPOWIEDZIALNOŚCIA

- Headquarters – Al. Jana Pawła II 43b 20 31-864, Krakow, Poland

CORPORATE GOVERNANCE STATEMENT (Law 4548/2018)

This statement has been prepared in accordance with the provisions of Law 4548/2018 (Government Gazette A'104/13.06.2018) is included in the annual management report of "EPSILON NET INFORMATION TRAINING AND HIGH-TECH PRODUCTS SOCIETE ANONYME" for the fiscal year 2020, as a special part thereof, and is available on the Company's website http://www.epsilonnet.gr.
Part of the information provided in the following thematic sections is included in the report of the Board of Directors and the Notes on the Financial Statements for the year 2020 of "EPSILON NET INFORMATION TECHNOLOGY, TRAINING AND HIGH-TECH PRODUCTS S.A.".

a) The institutional framework governing the operation and obligations of "EPSILON NET INFORMATION TECHNOLOGY, TRAINING AND HIGH-TECH PRODUCTS S.A.", as a company based in Greece, is Law 4548/2018 on public limited companies, the validity of which began on 1st January 2019. This law replaced law 2190/1920. In addition to Law 4548/2018, issues such as the Board of Directors and General Meetings' subject of work, purpose, duration, responsibilities, the election of Certified Auditors, the liquidation and dissolution of the Company are defined by its Articles of Association which are available through the corporate website. As a Company, whose shares are traded on the main market of the Athens Stock Exchange, "EPSILON NET INFORMATION TECHNOLOGY, TRAINING AND HIGH-TECH PRODUCTS S.A." has additional responsibilities in the areas of governance, informing the investing public and supervisory authorities, publishing financial statements, etc. The main law that describes and imposes the additional obligations is Law 3016/2002 (Government Gazette A'110/17.05.2002) which is available on the corporate website http://www.epsilonnet.gr as well as Law 4374/2016 (Government Gazette A'50/01.04.2016) which is available on the Hellenic Capital Market Commission website http://www.hcmc.gr/el_GR/web/portal/elib/lawslaws?apg=1. In addition, the Athens Stock Exchange Regulation, available on the Hellenic Stock Exchange Group website http://www.helex.gr/en/web/guest/athex-regulations-home, clearly defines the obligations of listed companies in accordance with the decisions of the Athens Stock Exchange Board of Directors. Finally, Law 4449/2017 (Government Gazette A'7/24.01.2017) brought about significant changes in favor of strengthening the role and position of Audit Committees whose duties and responsibilities have been greatly expanded. The Board of Directors of "EPSILON NET INFORMATION TECHNOLOGY, TRAINING AND HIGH-TECH PRODUCTS S.A." drafted, specialized and approved the Company's Corporate Governance Code (CGC) on 31st March 2011. Since then, due to amendments to the Company's Articles of Association, changes in the organizational chart and the composition of the Company's Board of Directors, as well as the institutional framework governing listed companies, the original CGC was revised seven times. All versions of the Company's Corporate Governance Code have been submitted to the Hellenic Capital

Market Commission. The current Corporate Governance Code dated "February 2020" is available through the corporate website in the specific tab "The Company/Corporate Governance".

b) Any practices on top of the provisions of the law are not applied, as the Board of Directors considers the existing national institutional and regulatory framework in force sufficient. Each section of the Corporate Governance Code applied by "EPSILON NET INFORMATION TECHNOLOGY, TRAINING AND HIGH-TECH PRODUCTS S.A." (for example: Board of Directors, Remuneration Policy, General Meetings, etc.), except for the general legal framework that governs its operation, includes a brief description of the "best corporate governance practices" that the Company follows and adopts over time.

c) Regarding the operation of the Internal Control and Risk Management systems (Internal Control and Risk Management – ICRM – Systems) of the Company and the Companies included in the consolidated financial statements, in relation to the process of preparation of the financial statements, it is noted that a professional and sophisticated software package for reporting to management and external users is used for the financial reports. The financial statements of total income and financial position as well as other analyses are reported to management on a monthly basis, while they are prepared on a simple and consolidated basis according to the International Financial Reporting Standards for reporting purposes to the management but also for publication purposes, according to applicable regulations, on a quarterly basis. Both the administrative information and the financial information to be published include all the necessary information about an up-to-date internal control system that includes sales, cost expense, operating profit and other details. All reports to the management include the current period's data that are compared with the budget's data, as approved by the Board of Directors, but also with the data of the corresponding reporting period of the previous year. All published interim and annual financial statements are prepared in accordance with International Financial Reporting Standards, include all necessary information and disclosures on the financial statements in accordance with International Financial Reporting Standards, are reviewed by the Audit Committee and approved by the Board of directors respectively.

d) The total number of shares issued by "EPSILON NET INFORMATION TECHNOLOGY, TRAINING AND HIGH-TECH PRODUCTS S.A." amounts to 13,400,000 of nominal value € 0.30 each. All are common registered shares and apart from those, there are no other securities from which the Company's right of control derives. Each share incorporates the right to one vote at the General Assemblies. The main shareholder of the Company is the natural person Michos Ioannis who controls (directly and indirectly) 67.84% in total of the voting rights of "EPSILON NET INFORMATION TECHNOLOGY, TRAINING AND HIGH-TECH PRODUCTS S.A.". The shares of the Company are listed on the Athens Stock Exchange and there are no restrictions on their transfer, there are no shareholders with special control rights nor are there any restrictions on the right to vote. Also, there are no agreements that enter into force, are amended or expire in case of any change in the control of the Company following a public offer as well as agreements with members of the Board of Directors or the

Company's employees that provide compensation in case of resignation or dismissal without reason or termination of their term of office or employment due to a public proposal. The Board of Directors or its members are not responsible for raising share capital, issuing new shares and buying own shares. The Shareholders' General Meeting of "EPSILON NET INFORMATION TECHNOLOGY, TRAINING AND HIGH-TECH PRODUCTS S.A." is responsible for the above issues, which in addition is the only competent body to decide on issues such as, indicatively and not restrictively, the amendment of the Company's Articles of Association, the election of Board members, any increase or decrease of share capital, the appointment of the Company's auditors, the approval of annual financial statements and the Company's distribution of profits. To amend the articles of association of "EPSILON NET INFORMATION TECHNOLOGY, TRAINING AND HIGH-TECH PRODUCTS S.A." a quorum (1/2) of the paid-up share capital of the Company is required and a decision is made by a majority of 2/3 of the present or represented shareholders. The Board of Directors may elect its members to replace its resigned members, passed away or lost their status in any other way, as well as in case of conflict of interests of the member of the Board with those of the Company. This election is possible provided that the replacement of the above members is not possible by alternate members who may have been elected by the General Meeting.

e) The Board of Directors is the Company's supreme administrative body which, according to its Articles of Association, may consist of eight (8) to twelve (12) members elected by the Shareholders' General Meeting for an annual term, starting from the next day after the General Meeting by which they were elected and is extended until the expiration of the term, within which the next Ordinary General Meeting must convene and until the relevant decision is taken. Board of Directors Members may be or may not be elected as shareholders, as well as senior officials of "EPSILON NET INFORMATION TECHNOLOGY, TRAINING AND HIGH-TECH PRODUCTS S.A.". The members of the Board of Directors can be re-elected indefinitely and revoked freely. Immediately after its election by the General Meeting the Board of Directors convenes and forms a body and elects the Chairman among its members, up to two (2) Vice-Chairmen as well as the Chief Executive Officer. The Chairman of the Board of Directors chairs the meetings and in case he is absent or unable to be present, he is replaced by a Vice Chairman and when both are absent or unable to be present they are replaced by any member appointed by the Board of Directors. The President, Vice-Presidents and the Chief Executive Officer can always be re-elected. The Board of Directors convenes whenever the law, the articles of association and the needs of the Company require so and convenes in quorum and dully when half plus one director are present or represented, but the number of present directors can never be less than three. Decisions of the Board of Directors are taken by a simple majority of its present or represented members. Each board member has one vote and the Chairman or any person acting as Chairman has no decisive vote at any meeting of the Board of Directors.

According to the Articles of Association of "EPSILON NET INFORMATION TECHNOLOGY, TRAINING AND HIGH-TECH PRODUCTS S.A." the Board of Directors is responsible for deciding on any case, act or action concerning the management of the Company in general or the management of corporate property in general, to represent the Company in all its relations and transactions with third parties and to execute any action that is within the Company's purposes, including the provision of guarantee by the Company to third parties in favor of subsidiaries or affiliates, with the exception of those matters which, in accordance with the provisions of the Law or the Articles of Association, fall within the competence of the General Meeting. By decision of the General Meeting, taken by open ballot after the approval of the annual financial statements, the overall management that took place during the respective year may be approved. The members of the Board of Directors remain individual liable towards the Company, in accordance with the provisions of Law 4548/2018 (Government Gazette A '104/13.06.2018).

The current composition of the Board of "EPSILON NET INFORMATION TECHNOLOGY, TRAINING AND HIGH-TECH PRODUCTS S.A." is the following:

Full name	**Status of Member**
Michos Ioannis son of Nikolaos	Chairman & CEO, Executive Member
Anagnostou Vassiliki daughter of Demetrios	Deputy Chief Executive Officer, Executive Member
Koutkoudakis Ioannis son of Antonios	Executive member
Prassas Vasilios son of Gabriel	Executive member
Michalopoulos Paschalis son of Georgios	Executive member
Gribelas Andreas son of Demetrios	Executive member
Aikaterini Daskalopoulou daughter of Georgios	Non-Executive Member
Komninos Nikolaos son of Zacharias	Independent Non-Executive Member
Avdimiotis Spyridon son of Konstantinos	Independent Non-Executive Member

Indicatively, the responsibilities of the BoD include:

- approving the long-term strategy and the operational objectives of the Company,
- approving the annual budget and business plan, as well as making decisions on major capital expenditures, acquisitions and divestitures,
- selecting and, when necessary, replacing the Company's executive leadership, as well as overseeing succession planning,
- controlling the performance of top Management and the harmonization of the remuneration of the senior executives with the long-term interests of the Company and its shareholders,

- ensuring the reliability of the Company's financial statements and data, financial information systems and disclosed data and information, as well as ensuring the effectiveness of internal control and risk management systems,
- vigilance regarding existing and potential conflicts of interest between the company and its Management, board members or major shareholders (including shareholders with direct or indirect authority to shape or influence the composition and behavior of the Board of Directors), as well as the appropriate handling of such conflicts; to this end, the Board of Directors should adopt a transaction supervision procedure based on transparency and protection of corporate interests,
- ensuring the existence of an effective regulatory compliance process of the Company,
- the responsibility for making relevant decisions and monitoring the effectiveness of the Company's management system, including decision-making procedures and the assignment of powers and duties to other executives, and
- the formulation, dissemination and application of the basic values and principles of the Company that govern its relations with all parties, whose interests are related to those of the company.

The current Board of Directors of the Company has been elected by the Extraordinary General Meeting of the Company's shareholders on 15th November 2019, formed a body with the meeting dated 15th November 2019, in conjunction with the decision of the Board of Directors dated 16.04.2020, pursuant to which Mrs. Aikaterini Daskalopoulou was elected as a new non-Executive member to replace the resigned Board Member Spyridon Pampoukidis, according to article 82 par. 1 of Law 4548/2018.

There are two (2) Board of Directors committees:
▪ Audit Committee
▪ Remuneration Committee

The Audit Committee of "EPSILON NET COMPANY INFORMATION TECHNOLOGY, TRAINING AND HIGH-TECH PRODUCTS S.A." has the following composition:

Full name	**Capacity**	**Position**
Karabinas Eleftherios son of Michael	Chairman of the Audit Committee of the Company	President
Komninos Nikolaos son of Zacharias	Independent Non-Executive Board Member	Member
Avdimiotis Spyridon son of Konstantinos	Independent Non-Executive Board Member	Member

The Audit Committee convenes at least four (4) times a year, but also extraordinarily if required. Its meetings convene in quorum when three (3) members are present.

The members of the Audit Committee are appointed by the shareholders' Ordinary General Meeting, in accordance with the provisions of article 44 of Law 4449/2017. The Chairman of the Audit Committee is also appointed by the Shareholders' General Meeting. The Chairman of the Audit Committee of "EPSILON NET COMPANY INFORMATION TECHNOLOGY, TRAINING AND HIGH-TECH PRODUCTS S.A." was a Chartered Accountant for three years in an Auditing company and since then, for aproximately six years, has been an executive of companies' financial management until today.

The responsibilities of the Audit Committee, according to Law 4449/2017, indicatively and not restrictively, include:

- informing the Board of Directors about the result of the statutory audit, explaining that it contributed to the integrity of the financial information,
- monitoring the financial information process and submitting recommendations or proposals to ensure its integrity,
- monitoring the effective operation of the internal control and risk management systems (Internal Control and Risk Management systems) of the company and, where appropriate, its internal audit department (Internal Audit), regarding the financial information of the audited entity, without interfering with this entity's independence,
- monitoring the statutory audit of the annual individual and consolidated financial statements and in particular its performance taking into account any findings and conclusions of the competent authority in accordance with paragraph 6 of Article 26 of Regulation (EU) 537/2014,
- reviewing and monitoring the independence of statutory auditors or audit firms and in particular the adequacy of the provision of non-auditing services to the audited entity in accordance with Article 5 of Regulation (EU) 537/2014, and
- the responsibility for the process of selecting certified public accountants or auditing companies and the submission to the Board of Directors of a recommendation for the appointment of statutory auditors or audit firms.

The Audit Committee substantially assists the Board of Directors in the fulfillment of its duties as informed, in accordance with the provisions of articles 7 and 8 of Law 3016/2002 on Corporate Governance or whenever it sees fit, about the progress and results of all audits carried out by the Company's Internal Audit Department while the statutory auditor or audit firm shall report to the Committee any matter relating to the progress and results of the statutory audit and shall report in particular any weaknesses in the internal control system, in particular the weaknesses of the financial reporting procedures and the preparation of financial statements. In addition, the statutory auditor submits to the Audit Committee the additional report provided in article 11 of Regulation (EU) 537/2014 at the same time of the audit report on the annual financial statements of the Company.

The Remuneration Committee of "EPSILON NET INFORMATION TECHNOLOGY, TRAINING AND HIGH-TECH PRODUCTS S.A." has the following composition:

Full name	Capacity	Position
Avdimiotis Spyridon son of Constantine	Independent Non-Executive Member	Chairman
Daskalopoulou Aikaterini daughter of Georgios	Non-Executive Board Member	Member
Komninos Nikolaos son of Zacharias	Independent Non-Executive Board Member	Member

The formation of a quorum for the meetings of the Committee presupposes the presence of the majority of its members and for any action on its part, the vote of the majority of its present members is required. The Remuneration Committee shall act in an advisory capacity to the Board of Directors in accordance with the powers conferred on it by the latter. It is involved with recruiting issues of the Company and proposes the policy for remuneration, benefits and incentives for executives and employees, monitoring the enforcement of this policy.

f) The Company chooses to maintain a Board of Directors with a number of members at the maximum number stipulated in its Articles of Association of 12 Directors in order to be represented by executives with a wide field of scientific knowledge, qualifications and experience that meet the corporate objectives and at the same time ensure, as far as possible, a relative balance between executive and non-executive members. There is no specific restriction on the age, gender, educational and professional background of the Board Members. In this context, the principle of non-limitation due to special characteristics is observed both in the selection of the Board Members and in the selection of the members of the Senior Management Team of the company, allowing the expression of different perspectives, reflecting the social and business environment of the company, and aimed at building a framework of trust between stakeholders. The top management team that handles the bulk of the day-to-day affairs of "EPSILON NET INFORMATION TECHNOLOGY, TRAINING AND HIGH-TECH PRODUCTS S.A." consists of executives who have been in the company since its establishment or the initial phase of business development, and have excellent knowledge of the particularities of the IT sector, as well as Managers, who have many years of work experience in the Company's individual business sectors. This ensures that the decisions taken are objective and correct and at the same time distinguished for their long-term character with a view to the constant maximization of the share value.

Shareholders' General Meeting

Main powers

The General Meeting is the supreme body of the company, convened by the Board of Directors and entitled to decide on any case concerning the company and in which the shareholders are entitled to participate, either in person or through a dully authorized representative, according to the legal procedure. In particular, the General Meeting is solely responsible for deciding on:

a) Amendments to the Articles of Association which are deemed to include share capital increases or decreases,

b) Election of Members of the Board of Directors and election of the auditors,

c) Approval of the Annual Financial Statements of the Company,

d) Distribution of annual profits,

e) Merger, extension or dissolution of the Company,

f) Appointment of liquidators, and

g) Change of the Members of the first Board of Directors.

The General Meeting must convene at the Company's registered seat, or in the region of another municipality within the registered seat's prefecture or other neighbouring municipality of the registered seat or in the region of the municipality where the registered seat is located, at least once every corporate year and within six (6) months at most from the end of that year (Ordinary General Meeting).

The Board of Directors may convene an extraordinary General Meeting at any time as it deems necessary.

Mode of operation of the General Meeting / Shareholders' Rights and their exercise.

The Company ensures that the preparation and conduct of the Shareholders' General Meeting facilitate the effective exercise of the Shareholders' rights, who should be fully informed of all issues related to their participation in the General Meeting, including items on the agenda, and their rights at the General Meeting. According to the provisions of Law 4548/2018, as amended and in force, the Company must publish on its website at least twenty (20) days before the General Meeting, both in Greek and English, information on:

- the date, time and place the Shareholders General Meeting will convene,
- the basic rules and practices of participation, including entitlement
- adding items to the agenda and asking questions, as well as the deadlines within which these rights can be exercised,
- voting procedures, conditions of representation by proxy and the forms used for proxy voting,
- the proposed agenda of the meeting, including draft decisions for discussion and voting, as well as any accompanying documents,
- the proposed list of candidate members for the Board, and
- the total number of shares and voting rights at the date of convening.

With the Board of Directors responsibility, the Company publishes the results of the voting on its website, within five (5) days at the latest from the date of the General Meeting, specifying for each decision at least the number of shares for which valid votes were cast, the proportion of the share capital represented by these votes, the total number of valid votes, as well as the number of votes in favor and against each decision and the number of abstentions.

Shareholders' Rights

The shareholders exercise their rights related to the Management of the company, only by their participation in the General Meeting. The rights and obligations of each share follow its legal owner, and its ownership automatically implies the acceptance of the articles of association and the decisions of the General Meeting of shareholders and the Board of Directors, which are taken within the framework of their competence and the law.

Each share provides the right to one (1) vote at the General Meeting, subject to the provisions of article 50 of law 4548/2018 for own shares held by the company. All the rights of the shareholders deriving from the share are obligatory according to the percentage of the capital that the share represents. In the case of several classes of shares, the principle of equality applies to all shares of the same class.

Independent Auditor's Report

To the Shareholders of EPSILON NET S.A.

<u>Report on the Audit of the Separate and Consolidated Financial Statements</u>

Opinion

We have audited the accompanying separate and consolidated financial statements of EPSILON NET S.A. (the Company), which comprise the separate and consolidated statement of financial position as at 31 December 2020, the separate and consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of EPSILON NET S.A. and its subsidiaries (the Group) as at 31 December 2020, their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as incorporated into the Greek Legislation. 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 are independent of the Company and its consolidated subsidiaries throughout our appointment in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), as incorporated into the Greek Legislation and the ethical requirements that are relevant to the audit of the separate and consolidated financial statements in Greece, and we have fulfilled our other ethical responsibilities in accordance with the requirements of the current legislation and the above-mentioned IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Key audit matter	Addressing the audit matter
1. Intangible assets	
At 31.12.2020, the intangible assets of the Group amount to approximately € 6,2 million (Company: approximately € 4,2 million). Intangible assets concern computer software programmes, which are mainly internally developed by the IT department of each Group company. Intangible assets are subject to amortisation based on the useful life estimated by management. Also, intangible assets are tested for impairment on their value, on an annual basis, if there are relevant indications. Due to the significant amount of the item and the nature of the Group's activity, we identified this area to be one of most significance matters. Information on the accounting policies for the recognition of "Intangible assets" is referred to in Notes 2.4 and 7 to the separate and consolidated financial statements.	Our audit approach included among other the following procedures: • Assessment of the appropriateness of the models of calculation and separations of the research and development costs applied by management according to the requirements of IAS 38. • Review of how the cost of creating intangible assets is transferred to ensure that: a) it is reasonable b) it has been consistently applied c) development costs have been capitalised according to the requirements of IAS 38. • Assessment of the management's estimate on whether there is evidence of impairment of these assets in accordance with IAS 36. • Examination of management's assumptions regarding the determination of their useful life and check of correctness of the amortisation calculation. • Assessment of the adequacy and appropriateness of the disclosures in Notes 2.4 and 7 to the separate and consolidated financial statements.
2. Recoverability of trade receivables	
At 31.12.2020 the trade receivables of the Group amount to approximately € 10,1 million (Company: approximately € 6,1 million). Management assesses at the end of each reporting period the recoverability of the Group's trade receivables, so as these to be carried at their recoverable amount, recognising the required credit losses. In order to assess the amount of impairment of its trade receivables, the management assesses their recoverability by reviewing the maturity of trade debtor balances, their credit history and the settlement of subsequent payments according to each settlement. This procedure includes critical judgments and estimates in relation to the proper implementation of IFRS 9 "Financial Instruments". We consider the assessment of the recoverability of the Group's trade receivables to be one of most significance matters, on the one hand because the trade receivables are the main item of the Assets and secondly because of the Management's critical estimates and judgments. Information on the accounting policies of the Company and the Group regarding trade receivables are referred to in Notes 2.10 and 16 to the separate and consolidated financial statements.	Our audit procedures regarding the recoverability of trade receivables included among other the following: • Understanding of the process with respect to monitoring the trade receivables and the factors taken into account for the estimate of the loss allowance of these receivables. • Assessment of assumptions and methodology used by the Group to determine the recoverability of trade receivables or their classification as doubtful. • Assessment of the customers aging analysis and the estimate for the loss allowance. • The receipt of third-party confirmation letters for a representative sample of trade receivables and performance of procedures after the date of the financial statements for receipts against year-end balances. • Examining of the reply letters of the lawyers, for matters they handled during the year in order to identify any matters indicating trade receivable balances not recoverable in the future. • Assessment of the adequacy and appropriateness of the disclosures in Notes 2.10 and 16 to the separate and consolidated financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Board of Directors' Report for which reference is made to the "Report on other Legal and Regulatory Requirements", but does not include the financial statements and our auditor's report thereon.

Our opinion on the separate and consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the separate and consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate and consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Separate and Consolidated Financial Statements

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

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

The Audit Committee (art. 44 L. 4449/2017) of the Company is responsible for overseeing the Company'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, as incorporated into the Greek Legislation, will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate and consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s and the Group’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s and the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the separate and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the separate and consolidated financial statements. We are responsible for the direction, supervision and performance of the company and of its subsidiaries audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate and consolidated financial statements of the audited period and are therefore the key audit matters.

Report on other Legal and Regulatory Requirements

1. Board of Directors' Report

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

a) The Board of Directors' Report includes the Corporate Governance Statement that provides the data and information defined under article 152 of L. 4548/2018.

b) In our opinion the Board of Directors' Report has been prepared in accordance with the applicable legal requirements of the article 150 and article 153 and the paragraph 1 (cases c' and d') of the article 152 of L. 4548/2018 and its content corresponds with the accompanying financial statements for the year ended 31/12/2020.

c) Based on the knowledge we obtained during our audit of EPSILON NET S.A. and its environment, we have not identified any material misstatements in the Board of Directors' Report.

2. Additional Report to the Audit Committee

Our audit opinion on the accompanying financial statements is consistent with the Additional Report to the Company's Audit Committee referred to in Article 11 of European Union (EU) Regulation 537/2014.

3. Provision of Non-Audit Services

We have not provided to the Company and its subsidiaries the prohibited non-audit services referred to in Article 5 of EU Regulation 537/2014.

The permitted non-audit services that we have provided to the Company and its subsidiaries, during the year ended 31 December 2020 have been disclosed in the Note 42 of the separate and consolidated financial statements.

4. Auditor's Appointment

We have been appointed for the first time, after 15/7/2020 when the Company became a Public Interest Entity, Certified Auditors Accountants of the Company by the dated 02/09/2020 decision of the annual ordinary general meeting of shareholders.

Athens, 16 March 2021

DIMITRIOS DRAKOPOULOS
Certified Public Accountant Auditor
Institute of CPA (SOEL) Reg. No. 40061

SOL S.A.
Member of Crowe Global
3, Fok. Negri Str., 112 57 Athens, Greece
Institute of CPA (SOEL) Reg. No. 125

EPSILON NET

INFORMATION TECHNOLOGY, TRAINING AND HIGH-TECH PRODUCTS SOCIETE ANONYME

G.E.MI. No: 038383705000

Annual Financial Statements

of the Year from January 1 to December 31, 2020

in accordance with International Financial Reporting Standards (IFRS)

A. *Financial Statements as at 31st December 2020*

Statement of Financial Position

		ΟΜΙΛΟΣ		ΕΤΑΙΡΕΙΑ	
Amounts in Euro €	Note	31.12.2020	31.12.2019	31.12.2020	31.12.2019
ASSETS					
Non-Current Assets					
Tangible Assets	6	4,662,583.03	2,881,597.51	1,655,482.87	1,822,436.29
Intangible Assets	7	6,228,436.45	4,837,219.50	4,234,547.09	4,727,434.76
Goodwill	8	4,112,733.28	-	-	-
Investments in Subsidiary Companies	9	-	-	9,502,023.02	3,042,591.02
Investments in Associates	10	1,039,451.47	1,145,889.61	1,000,000.00	1,145,889.61
Other Participation Titles	11	3,521.30	3,521.30	3,521.30	3,521.30
Deferred Tax Receivables	12	276,792.49	79,211.70	102,259.89	-
Lease Receivables	13	2,910.35	-	535,147.87	604,475.71
Other Long-term Receivables	14	183,046.26	73,173.31	68,777.13	61,933.59
Total Non-Current Assets		16,509,474.63	9,020,612.93	17,101,759.17	11,408,282.28
Current assets					
Inventories	15	42,768.85	20,138.50	32,549.18	16,801.34
Customers and Other Trade Receivables	16	10,148,638.04	8,668,132.74	6,134,004.56	7,186,035.50
Commercial Portfolio Securities	17	308,513.62	268,922.00	-	-
Lease Receivables	13	1,660.09	-	97,041.96	88,656.47
Other Receivables	18	1,903,832.70	535,027.76	1,406,466.56	453,765.89
Cash and Equivalents	19	20,788,875.39	8,593,947.46	13,844,031.22	5,320,158.43
Total Current Assets		33,194,288.69	18,086,168.46	21,514,093.48	13,065,417.63
Non-current Assets held for Sale	10	150,470.00	-	150,470.00	-
Total Assets		49,854,233.32	27,106,781.39	38,766,322.65	24,473,699.91
EQUITY AND LIABILITIES					
Equity					
Share Capital	20	4,020,000.00	3,352,632.00	4,020,000.00	3,352,632.00
Treasury Shares	21	-	(35,863.68)	-	(35,863.68)
Share Premium	22	4,614,507.96	8.61	4,614,507.96	8.61
Reserves	23	1,506,056.61	1,415,485.10	1,430,432.27	1,336,448.88
Retained Earnings	24	10,788,883.17	8,204,742.08	9,188,775.83	7,897,086.83
Total Equity Attributable to Parents Shareholders		20,929,447.74	12,937,004.11	19,253,716.06	12,550,312.64
Non-controling Interests	25	1,276,194.70	569,547.95	-	-
Total equity		22,205,642.44	13,506,552.06	19,253,716.06	12,550,312.64
Non-current Liabilities					
Long-term Bank Debt	26	10,865,126.36	4,252,785.18	9,068,278.40	4,222,178.93
Lease Liabilities	27	1,973,244.34	1,439,564.38	965,861.30	1,200,222.46
Deferred Tax Liabilities	12	-	-	-	28,161.88
Liabilities for Pension Plans	28	2,051,884.51	1,107,870.45	1,114,363.90	822,291.26
Other Long-term Liabilities	29	138,598.06	133,267.86	132,897.30	133,267.86
Total Non-current Liabilities		15,028,853.27	6,933,487.87	11,281,400.90	6,406,122.39
Current Liabilities					
Suppliers and Other Trade Liabilities	30	2,687,859.34	1,439,563.12	1,802,102.22	950,299.44
Current Portion of Non-current Bank Debt	26	4,185,465.68	2,552,049.43	2,941,021.22	2,513,119.63
Current Portion of Lease Liabilities	27	584,347.88	348,424.65	313,012.06	297,122.50
Current Tax Liabilities	31	2,446,547.69	1,415,195.87	1,413,572.46	1,065,652.69
Other Short-term Liabilities	32	2,715,517.02	911,508.39	1,761,497.73	691,070.62
Total Current Liabilities		12,619,737.61	6,666,741.46	8,231,205.69	5,517,264.88
Total Liabilities		27,648,590.88	13,600,229.33	19,512,606.59	11,923,387.27
Total Equity & Liabilities		49,854,233.32	27,106,781.39	38,766,322.65	24,473,699.91

The notes on pages 60 to 141 constitute an integral part of these Financial Statements.

Total Income Statement

Amounts in €	Note	GROUP 1.1-31.12.2020	GROUP 1.1-31.12.2019	COMPANY 1.1-31.12.2020	COMPANY 1.1-31.12.2019
Sales	37	**21,696,897.43**	**17,977,982.38**	**14,617,792.15**	**13,651,874.73**
Cost of Sales	33	(8,768,915.47)	(7,773,931.39)	(6,550,531.46)	(6,440,840.64)
Gross Profit		**12,927,981.96**	**10,204,050.99**	**8,067,260.69**	**7,211,034.09**
Other Operating Income	34	166,625.37	55,135.30	139,672.54	50,892.37
Administrative Expenses	33	(343,172.26)	(301,680.19)	(220,337.77)	(216,163.88)
Research & Development Expenses	33	(6,268,874.71)	(5,567,945.45)	(4,102,146.73)	(4,020,607.84)
Distribution Expenses	33	(2,533,281.73)	(2,343,648.85)	(1,565,786.13)	(1,433,462.45)
Other Operating Expenses	34	(309,065.86)	(291,592.56)	(166,385.69)	(235,472.35)
Operating Profit		**3,640,212.77**	**1,754,319.24**	**2,152,276.91**	**1,356,219.94**
Financial Revenue	35	130,075.19	38,996.68	137,661.10	48,560.77
Financial Expenses	35	(510,647.59)	(391,176.93)	(435,448.81)	(351,315.35)
Share of Profit / (Loss) of Associates	10	44,031.86	(34,076.35)	4,580.39	(34,076.35)
Net Profit before Taxes		**3,303,672.23**	**1,368,062.64**	**1,859,069.59**	**1,019,389.01**
Income Tax	12	(24,274.63)	40,220.38	20,598.19	29,301.99
Net Profit After Taxes (A)		**3,279,397.60**	**1,408,283.02**	**1,879,667.78**	**1,048,691.00**
Attributable to:					
- Parent's Shareholders		2,965,004.31	1,161,889.62	1,879,667.78	1,048,691.00
- Non-controling Interests		314,393.29	246,393.40	-	-
		3,279,397.60	**1,408,283.02**	**1,879,667.78**	**1,048,691.00**
Other Comprehensive Income:					
Actuarial Profits / (losses) on Personnel Benefit Programs	28	(253,237.76)	(71,802.68)	(191,184.99)	(68,768.80)
Deferred Tax	12	60,777.07	17,232.64	45,884.40	16,504.51
Total Other Comprehensive Income (B)		**(192,460.69)**	**(54,570.04)**	**(145,300.59)**	**(52,264.29)**
Total Comprehensive Income (A) + (B)		**3,086,936.91**	**1,353,712.98**	**1,734,367.19**	**996,426.71**
Attributable to:					
- Parent's Shareholders		2,790,996.88	1,108,813.16	1,734,367.19	996,426.71
- Non-controling Interests		295,940.03	244,899.82	-	-
		3,086,936.91	**1,353,712.98**	**1,734,367.19**	**996,426.71**
Weighted Average Number of Shares					
Ordinary Shares in Issue		**12,214,784**	**10,945,808**	**12,214,784**	**10,945,808**
Basic Earnings per Ordinary Share (in €)	36	**0.2685**	**0.1287**	**0.1539**	**0.0958**

The notes on pages 60 to 141 constitute an integral part of these Financial Statements.

Statement of Changes in Equity

GROUP

Amounts in Euro €	Attributable to Parent's Owners					Non-controlling	
	Share Capital	Treasury Shares	Reserves	Retained Earnings	Share Premium	Interests	Total
Balance 01 January 2019	**3,352,632.00**	**-**	**1,327,910.96**	**7,168,145.89**	**8.61**	**225,998.13**	**12,074,695.59**
Net Results for the Period 01.01 - 31.12.2019 After Taxes	-	-	-	1,408,283.02	-	-	1,408,283.02
Share Capital Increase Corresponding to Non-controlling Interests	-	-	-	-	-	98,650.00	98,650.00
Transfer to Regular Reserve	-	-	52,434.55	(52,434.55)	-	-	-
Purchase of Treasury Shares	-	(35,863.68)	-	-	-	-	(35,863.68)
Transfer to Other Reserves	-	-	35,139.59	(19,782.42)	-	-	15,357.17
Actuarial Results	-	-	-	(54,570.04)	-	-	(54,570.04)
Non-controlling Interests corresponding to Equity 31.12.2019	-	-	-	1,493.58	-	(1,493.58)	-
Non-controlling Interests corresponding to the Total Income for the Period 01.01 - 31.12.2019	-	-	-	(246,393.40)	-	246,393.40	-
Balance 31 December 2019	**3,352,632.00**	**(35,863.68)**	**1,415,485.10**	**8,204,742.08**	**8.61**	**569,547.95**	**13,506,552.06**
							-
							-
Balance 01 January 2020	**3,352,632.00**	**(35,863.68)**	**1,415,485.10**	**8,204,742.08**	**8.61**	**569,547.95**	**13,506,552.06**
Net Results for the Period 01.01 - 31.12.2020 After Taxes	-	-	-	3,279,397.60	-	-	3,279,397.60
Share Capital Increase	667,368.00	-	-	-	4,671,576.00	-	5,338,944.00
Expenses for Share Capital increase	-	-	-	-	(57,076.65)	-	(57,076.65)
Transfer to Regular Reserve	-	-	93,983.39	(93,983.39)	-	-	-
Sale of Treasury Shares	-	35,863.68	-		-	-	35,863.68
Dividend distributed in Current Year	-	-	-	(348,694.80)	-	-	(348,694.80)
Transfer to Other Reserves	-	-	(3,411.88)	11,942.17	-	-	8,530.29
Actuarial Results	-	-	-	(192,460.69)	-	-	(192,460.69)
Non-controlling Interests corresponding to Increase of Participation in Subsidiaries				223,880.23	-	(223,880.23)	-
Non-controlling Interests corresponding to Equity 31.12.2020	-	-	-	18,453.26	-	(18,453.26)	-
Change in Non-controlling Interests at the Acquisition of Subsidiaries	-	-	-	-	-	634,586.95	634,586.95
Non-controlling Interests corresponding to the Total Income for the Period 01.01 - 31.12.2020	-	-	-	(314,393.29)	-	314,393.29	-
Balance 31 December 2020	**4,020,000.00**	**-**	**1,506,056.61**	**10,788,883.17**	**4,614,507.96**	**1,276,194.70**	**22,205,642.44**

Amounts in Euro €	Share Capital	Treasury Shares	Reserves	Retained Earnings	Share Premium	Total
COMPANY						
Balance 01 January 2019	**3,352,632.00**	**-**	**1,284,014.33**	**6,953,094.67**	**8.61**	**11,589,749.61**
Net Results for the Period 01.01 - 31.12.2019 After Taxes	-	-	-	1,048,691.00	-	**1,048,691.00**
Purchase of Treasury Shares	-	(35,863.68)	-	-	-	**(35,863.68)**
Actuarial Results	-	-	-	(52,264.29)	-	**(52,264.29)**
Transfer to Regular Reserve	-	-	52,434.55	(52,434.55)	-	-
Balance 31 December 2019	**3,352,632.00**	**(35,863.68)**	**1,336,448.88**	**7,897,086.83**	**8.61**	**12,550,312.64**
						-
						-
Balance 01 January 2020	**3,352,632.00**	**(35,863.68)**	**1,336,448.88**	**7,897,086.83**	**8.61**	**12,550,312.64**
Net Results for the Period 01.01 - 31.12.2020 After Taxes	-	-	-	1,879,667.78	-	1,879,667.78
Share Capital Increase	667,368.00	-	-	-	4,671,576.00	5,338,944.00
Dividend distributed in Currentl Year	-	-	-	-	(57,076.65)	(57,076.65)
Sale of Treasury Shares	-	-	-	(348,694.80)	-	(348,694.80)
Actuarial Results	-	35,863.68	-	-	-	35,863.68
Transfer to Regular Reserve	-	-	-	(145,300.59)	-	(145,300.59)
	-	-	93,983.39	(93,983.39)	-	-
Balance 31 December 2020	**4,020,000.00**	**-**	**1,430,432.27**	**9,188,775.83**	**4,614,507.96**	**19,253,716.06**

The notes on pages 60 to 141 constitute an integral part of these Financial Statements.

Cash Flow Statement

Indirect Method	GROUP		COMPANY	
Amounts in Euro €	1.1-31.12.2020	1.1-31.12.2019	1.1-31.12.2020	1.1-31.12.2019
Operating Activities				
Profit before tax	**3,303,672.23**	**1,368,062.64**	**1,859,069.59**	**1,019,389.01**
Plus / minus adjustments for:				
Depreciation	1,503,073.98	1,510,546.47	1,146,339.17	1,274,002.87
Provisions	457,889.29	372,889.42	263,951.63	287,818.95
Exchange differences	635.00	3,415.00	-	-
Results (income, expenses, profits and losses) of investment activity	(171,959.75)	(28,492.62)	(143,028.71)	(20,739.87)
Debt interest and related expenses	510,647.59	397,147.38	435,448.81	351,223.00
Plus / minus adjustments for changes in working capital accounts or related to operating activities:				
Decrease / (increase) of Reserves	(12,271.23)	13,822.87	(15,747.84)	12,581.35
Decrease / (increase) of receivables	820,210.56	(993,996.50)	6,594.15	(1,111,115.47)
(Decrease) / increase in liabilities (excluding banks)	289,684.80	(67,995.11)	2,062,147.37	302,153.23
(Less):				
Debt interest and related expenses paid	(465,001.72)	(344,051.76)	(384,408.30)	(315,665.85)
Taxes paid	(162,297.81)	(58,058.59)	(63,939.18)	(38,262.04)
Total inflows / (outflows) from operating activities (a)	**6,074,282.94**	**2,173,289.20**	**5,166,426.69**	**1,761,385.18**
Investment Activities				
Acquisition of subsidiaries, relatives, joint ventures and other investments	(5,295,402.75)	(1,000,000.00)	(6,384,432.00)	(1,102,350.00)
Purchase of tangible and intangible assets	(725,396.99)	(493,888.84)	(416,291.88)	(466,097.26)
Proceeds from sales of tangible and intangible assets	2,000.00	8,000.00	2,000.00	8,000.00
Rents received	799.11	-	77,970.51	48,172.87
Interest received	40,223.56	54,618.65	53,832.17	48,560.77
Dividends received	52,638.48	-	52,638.48	-
Other elements of investment flows	(635.00)	(1,632.47)	-	-
Total inflows / (outflows) from investment activities (b)	**(5,925,773.59)**	**(1,432,902.66)**	**(6,614,282.72)**	**(1,463,713.62)**
Funding Activities				
Proceeds from share capital increase	5,281,867.34	98,650.00	5,281,867.35	-
Proceeds from sale of Own Shares	67,054.13	-	67,054.13	-
Payments for Share Capital Reduction	-	(446,201.79)	-	(446,201.79)
Equity Shares	-	(35,863.68)	-	(35,863.68)
Proceeds from issued / undertaken loans	7,702,681.69	2,195,515.00	5,453,534.47	2,195,515.00
Loan repayments	(319,227.93)	(1,294,723.82)	(230,573.92)	(1,252,116.16)
Repayments of liabilities from financial leases (amortization)	(337,261.85)	(372,449.47)	(251,458.41)	(266,443.30)
Dividends paid	(348,694.80)	-	(348,694.80)	-
Other Financial Flows	-	-	-	-
Total inflows / (outflows) from financing activities (c)	**12,046,418.58**	**144,926.24**	**9,971,728.82**	**194,890.07**
Net Increase / (Decrease) in Cash and Cash Equivalents (a) + (b) + (c)	**12,194,927.93**	**885,312.78**	**8,523,872.79**	**492,561.63**
Cash and Cash Equivalents at the beginning of the Period	8,593,947.46	7,708,634.68	5,320,158.43	4,827,596.80
Cash and Cash Equivalents at the end of the Period	**20,788,875.39**	**8,593,947.46**	**13,844,031.22**	**5,320,158.43**

The notes on pages 60 to 141 constitute an integral part of these Financial Statements.

B. Notes on the Financial Statements for the fiscal year 2020

1. *General Information about the Company*

The parent company "EPSILON NET – Information Technology, Training and High-Tech Products" with the distinctive title "EPSILON NET S.A.", was established in its current form in year 1999 (Government Gazette 6383/04.08.1999). The original name was "HELLENIC DEVELOPMENT - Publications, Informatics and High Technology Products Societe Anonyme" with the distinctive title "HELLENIC DEVELOPMENT S.A." as amended by the decision of the 12th Extraordinary General Meeting of the Shareholders on 14.02.2004 (Government Gazette 2497/24.03.2004), as well as the decision of 22.05.2008 of the 9th Ordinary General Meeting of Shareholders (Government Gazette 6356 / 04.07.2008).

The company's registered seat is located in Greece, Municipality of Pylaia of the Prefecture of Thessaloniki – Side Road 87, 17th November - EMO Zone. The initial seat was in the Municipality of Thessaloniki, and was transferred to the Municipality of Pylea with the decision of the 9th Extraordinary General Meeting of the Shareholders dated 20.09.2002 (Government Gazette 02.10.2002). The company's website is www.epsilonnet.gr.

The company is registered in the Societes Anonymes Register with Registration No. 43452/62/B/99/194 and its duration has been defined for fifty (50) years, until 22nd July 2049.

"EPSILON NET S.A." is active in the IT sector and specifically in the development of software programs for economists, accountants - tax experts, accounting firms and companie's accounting departments and financial management. In addition, it organizes educational seminars of economic, scientific content. Finally, it publishes and sells the weekly financial magazine "EPSILON 7" and trades scientific - tax books.

The attached consolidated financial statements of "EPSILON NET S.A." ("Group") include the financial statements of the parent company "EPSILON NET S.A." and its subsidiaries, "EPSILON PYLON S.A.", "EPSILON HR S.A.", "EPSILON EUROPE PLC", "EVOLUTIONSNT PLC" and "EVOLUTIONSNT (UK) LTD", "HOTELIGA Int. Sp. Z O.O." and "DATA COMMUNICATION S.A.".

"EPSILON NET SA" prepared consolidated financial statements for the first time in 2009.

The annual corporate and consolidated Financial Statements for the 2020 fiscal year were approved by the Board of Directors of "**EPSILON NET INFORMATION TECHNOLOGY, TRAINING AND HIGH TECH PRODUCTS S.A.**" on 16th March 2021, have been made public through their publication on the website of the Athens Stock Exchange (ATHEX) and the Company's website at www.epsilonnet.gr, where they will remain available to the investing public for a period of two (2) years, and are approved by the Annual shareholders' Ordinary General Meeting.

Briefly, the basic information about the Company is as follows:

Board of Directors Composition

Today, the composition of the Board of Directors of "EPSILON NET S.A.", as it formed a body on 15th November 2019, is as follows:

- Michos Ioannis son of Nikolaos	:	Chairman & CEO, Executive Member
- Anagnostou Vassiliki daughter of Demetrios	:	Deputy Chief Executive Officer, Executive Member
- Koutkoudakis Ioannis son of Antonios	:	Executive member
- Prassas Vasileios son of Gabriel	:	Executive member
- Michalopoulos Paschalis son of Georgios	:	Executive member
- Gribelas Andreas son of Demetrios	:	Executive member
- Aikaterini Daskalopoulou daughter of Georgios	:	Non-Executive Member
- Komninos Nikolaos son of Zacharias	:	Independent Non-Executive Member
- Avdimiotis Spyridon son of Konstantinos	:	Independent Non-Executive Member

The current Board of Directors of the Company has been elected by the Extraordinary General Meeting of the Company's shareholders on 15.11.2019, formed a body with the meeting of the Board of Directors dated 15.11.2019, in conjunction with the Board of Directors decision dated 16.04.2020 pursuant to which Mrs. Aikaterini Daskalopoulou was elected as a new non-Executive member to replace the resigned Board Member Spyridonas Pampoukidis, according to article 82 par. 1 of Law 4548/2018.

Supervising Authority	:	Central Macedonia Region
General Commercial Registration Number	:	038383705000
Tax Identification Number	:	099357493
Legal Advisors	:	Michalopoulos Paschalis
Auditor	:	Eleni Skaliotou RN SOEL 23671 Collaborating Certified Accountants SA Member of Crowe Global Network

2. *Applied Accounting Principles*

2.1. Framework for the Preparation of Financial Statements

The consolidated and corporate financial statements of "EPSILON NET SA" as at 31st December 2020 covering the 21st fiscal year from 1 January to 31 December 2020, have been prepared based on:

- the historical cost principle, as amended by the adjustment of specific assets and liabilities to fair values,
- the principle of continuing activity (going concern principle),

- the principle of fiscal autonomy,

and are in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union, under Regulation no. Regulation (EC) No 1606/2002 of the European Parliament and of the Council of the European Union of 19 July 2002.

The preparation of the consolidated and corporate financial statements in accordance with IFRS requires that the Company make estimates and assumptions that affect the balances of assets, liabilities, income and expenses during the years under review. The estimates and criteria applied by the Company for decision making and which affect the preparation of the consolidated and corporate financial statements are based on historical data and assumptions that are considered reasonable in the present circumstances.
Estimates and decision criteria are reassessed to take account current developments and the effects of any changes are recognized in the consolidated and corporate financial statements at the time they take place.

Amounts included in the consolidated and corporate financial statements are presented in euros, unless otherwise stated in the separate notes.

The accounting principles followed by the Company for the preparation of the annual financial statements are consistent with those described in the published financial statements for the year ended 31.12.2019.

New Standards and Interpretations

Adoption of New and Revised International Standards

New standards, standard amendments and interpretations have been issued and are mandatory for annual accounting periods beginning on or after 1 January 2020.

Unless otherwise stated, the amendments and interpretations that apply for the first time in the fiscal year 2020, have no effect on the Group's consolidated financial statements. The Group did not prematurely adopt standards, interpretations or amendments issued by the IASB and adopted by the European Union but have no mandatory application in the fiscal year 2020.

Mandatory Standards and Interpretations for the current fiscal year 2020

Amendments to the references in the IFRS Conceptual Framework (issued on 29th March 2018)

On 29th March 2018, the International Accounting Standards Board adopted the revised conceptual framework which redefines:

- the purpose of the financial information,

- the qualitative characteristics of the financial statements,

- definitions of the asset, liability, equity, income and expenses,

- the recognition criteria and the instructions on the time of assets and liabilities' write-off in the financial statements,

- the valuation bases and instructions on how they should be used and,

- concepts and guidance on presentation and disclosures

The purpose of reviewing the Conceptual Framework is to assist those preparing financial statements to develop consistent accounting policies for transactions and other events that do not fall within the scope of existing standards or when a standard allows for a choice between accounting policies. In addition, the purpose of the review is to help all stakeholders understand and interpret the standards.

The International Accounting Standards Board also issued an accompanying document, "Amendments to References to the Conceptual Framework", which sets out the amendments to the standards that are affected in order to update the references in the revised conceptual framework.

The amendment is applied by the authors who develop accounting policies based on the conceptual framework, in the annual accounting periods beginning on or after 1 January 2020.

IAS 1 and IAS 8 (amendments) "Definition of significant"

As at 31 October 2018, the IASB, as part of the Disclosure Initiative, issued amendments to IAS 1 and IAS 8, which clarify the definition of significant and how it should be implemented, including guidance that has been referred to in other IFRSs. The new definition provides that information is important if the fact of its omission, concealment or inaccurate disclosure would reasonably affect the decisions that the main users of the financial statements make on the basis of these statements. The amendments include examples of circumstances that may lead to the concealment of important information. The definition of significant, which is an important accounting concept in IFRSs, helps companies decide whether information should be included in their financial statements. The updated definition amends IAS 1 "Presentation of Financial Statements" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". The amendment ensures that the definition of significant is consistent with all IFRS standards. The amendment is effective from or after 1 January 2020.

IFRS 9 IAS 39 and IFRS 7 (Amendment) "Reference Rate Reform" Phase 1

The Council adopted on 26 September 2019 amendments to IFRS 9, IAS 39 and IFRS 7 to address the financial impact of the reference rate reform in the period prior to the replacement of an existing reference rate with an alternative reference rate. The amendments provide temporary and limited exceptions to the hedging requirements of International Accounting Standard (IAS) 39 *Financial Instruments*: Recognition and Measurement of International Financial Reporting Standard (IFRS) 9 *Financial Instruments,* so that companies continue to meet requirements assuming that the existing interest rate reference criteria do not change due to the reform of the bank lending rate.

Exceptions apply to the application of the following provisions:

- The requirement for a very high probability of fulfillment in terms of cash flow hedges,
- The evaluation of the financial relationship between the hedged item and the hedging instrument,
- The identification of a component of an item as a hedged item.

The amendment applies to annual accounting periods beginning on or after 1 January 2020.

IFRS 3 (Amendment) "Business combinations"

The amendment is intended to improve the definition of a business in order to help companies determine whether an acquisition involves a business or group of assets. The modified definition of business focuses on the product of a business, which is the provision of goods and services to customers, while the previous definition focused on returns in the form of dividends, lower costs or other financial benefits directly to investors or other owners, members or participants. In addition, the amendment adds instructions for assessing whether an acquired procedure is substantial and introduces an optional fair value collection exercise with indicative examples.

The companies are obliged to apply the amended definition of a business in acquisitions that will take place on or after 1 January 2020.

IFRS 16 Leases (Amendment) "Lease concessions related to the coronavirus pandemic"

The International Accounting Standards Board in response to the effects of the COVID-19 pandemic issued on 28 May 2020 an amendment to IFRS 16 "Leases" to enable lessees not to account rent reductions as a lease amendment if they are a direct consequence of COVID-19 and meet specific conditions. The amendment does not affect lessors.

The amendment applies to annual accounting periods beginning on or after 1 June 2020. Early application is permitted, including interim or annual financial statements that were not approved for publication on 28 May 2020.

Standards and Interpretations mandatory for subsequent periods that have not been applied earlier by the Company and the Group and have been adopted by the EU:

The following amendments are not expected to have a material impact on the financial statements of the Company and the Group unless otherwise stated.

IFRS 9 IAS 39 and IFRS 7 and IFRS 16 (Amendment) "Reference Rate Reform" Phase 2

The International Accounting Standards Board (IASB) has published "Reference Rate Reform" - Phase 2 with amendments addressing issues that may affect financial reporting following the reform of an interest rate benchmark, including its replacement by alternative reference rates. The amendments apply to annual periods beginning on or after 1 January 2021, with earlier application permitted.

Standards and Interpretations mandatory for subsequent periods that have not been applied earlier by the Company and the Group that have not been adopted by the EU:

The following amendments are not expected to have a material impact on the financial statements of the Company and the Group unless otherwise stated.

IAS 1 (Amendment) "Classification of liabilities as Current or Non-current"

The amendment only affects the presentation of liabilities in the statement of financial position. The amendment clarifies that the classification of liabilities should be based on existing rights at the end of the reporting period. The amendment also clarified that the expectations of the Management for the events that are expected to occur after the balance sheet date should not be taken into account and clarified the cases that constitute a settlement of the obligation.

The amendment applies to annual accounting periods beginning on or after 1 January 2022.

IFRS 3 (Amendment) – "Reference to the Conceptual Framework"

On 14 May 2020, the IASB issued the "Reference to the Conceptual Framework (Amendments to IFRS 3)" with amendments to IFRS 3 "Business Combinations" that update a reference to IFRS 3 without changing the accounting requirements of the standard.

The amendment applies to annual accounting periods beginning on or after 1 January 2022.

IAS 37 (Amendment) "Provisions, Contingent Liabilities and Contingent Assets" - Onerous Contracts - Cost of Fullfilling a Contract

The amendment specifies what costs an entity should include in determining the cost of performing a contract in order to assess whether the contract is onerous. The amendment clarifies that "the cost of fullfilling a contract" includes the costs directly attributable to the performance of that contract and the allocation of other costs directly attributable to its performance. The amendment also clarifies that, before a separate provision for an onerous contract is recognized, an entity recognizes an impairment loss on the assets used to perform the contract, and not on assets that were only committed to that contract.

The amendment applies to annual accounting periods beginning on or after 1 January 2022.

Annual Improvements International Financial Reporting Standards 2018-2020

On 14th May 2020, the International Accounting Standards Board issued the annual improvements containing the following amendments to the following International Financial Reporting Standards, which apply to annual periods beginning on or after 1 January 2022.

2.2. Principles of Consolidation

The Consolidated Financial Statements include the Financial Statements of the Company and its subsidiaries.

Subsidiaries: Subsidiaries are all companies (including special purpose companies) in which the Group exercises control over their operation. The Group controls a company when it is exposed to, or has rights to, variable returns of the company due to its participation in this company and has the ability to influence these returns through its authority in this company.

Subsidiaries are consolidated using the full consolidation method from the date on which control is transferred to the Group and cease to be consolidated from the date on which control ceases to exist.

The Group uses the acquisition method to account for the merger. The acquisition price for the acquisition of a subsidiary is calculated as the total fair values of the assets transferred, the liabilities assumed to the former shareholders and the equity securities issued by the Group. The acquisition price also includes the fair value of the assets or liabilities arising from a possible consideration agreement.

In a business combination, the costs associated with the acquisition are recorded in the income statement. The identifiable assets acquired, liabilities and contingent liabilities are initially measured at their fair value at the acquisition date. If any, the Group recognizes a non-controlling interest in the subsidiary, either at fair value or at the value of the non-controlling interest in the equity of the acquired company.

If an acquisition is made in individual stages, the present value of the Group's holding in the acquired company is revalued to its fair value at the acquisition date. The gain or loss arising from the revaluation of fair value is recognized in the income statement.

Any contingent consideration given by the Group is recognized at fair value on the date of acquisition. Subsequent changes in the fair value of the contingent consideration which was considered as an asset or liability, are recognized in accordance with IFRS 9 either in the income statement or as a change in other comprehensive income. The contingent price that was classified as an item of equity is not revalued until its final settlement through equity.

Goodwill is the excess of the total price paid, the amount recognized as a non-controlling interest and the fair value of any prior acquisition in the acquired company, relative to the fair value of the identifiable net assets of the subsidiary acquired. If the fair value of the net assets of the acquired subsidiary is greater than the total cost of the acquisition, the non-controlling interest recognized and the fair value of the previous holding in the acquired company, the gain (undervaluation) on the transaction is recognized immediately in the profit/loss account.

Any profit or loss as well as any item of the statement of comprehensive income is allocated to the shareholders of the parent company and the non-controlling interests, even if this results in the balance of the non-controlling interests becoming negative.

In the Company's balance sheet, participations in subsidiaries are shown at cost less impairment losses, if any. The acquisition value is adjusted to incorporate changes in the price from contingent price changes.

The financial statements of the subsidiaries are prepared on the same date and use the same accounting principles as the Parent Company. Intra-company transactions, balances and unrealized profits/losses on transactions between Group companies are eliminated.

Transactions with non-controlling interests that result in the Group retaining control of a subsidiary are considered transactions between the owners. The difference between the price paid and the part of the carrying amount of the net assets of the subsidiary acquired is also recognized in equity. Profits or losses arising from the sale to holders of non-controlling interests are also recognized in equity.

When the Group ceases to have the control of a subsidiary and if it continues to maintain any participation in it, then the participation is revalued to fair value at the date the control ceases and any difference in relation to the current value is recognized in the profit/loss account. This asset is then recognized as an associate, joint venture or financial asset at that fair value. In addition, any amount previously recognized in other comprehensive income relating to this company is accounted for using the same method that the Group would apply if it sold its assets or liabilities directly. This may mean that amounts previously recognized in other comprehensive income are reclassified to the year's profit/loss account.

Associates: Associates are legal entities in which the Group has a substantial influence, but does not exercise control over their operation (participates directly or indirectly in voting rights with a percentage of 20% or more). Investments in associates are accounted for using the equity method and are initially recognized at acquisition cost. The Group's investments in associates include goodwill (net of any impairment losses) arising at the acquisition.

According to the equity method, the Group's share in profits or losses arising after the acquisition of associates is recognized in the income statement and the Group's share of other comprehensive income is recognized in the Group's other comprehensive income when the carrying amount of the investment changes. When the Group's share in the losses of an associate is equal to or greater than the value of its investment, then the Group does not recognize further losses, unless it has entered into legal or contractual obligations or has made payments on behalf of that company.

If the percentage of the Group's participation in an associate decreases, but continues to maintain a significant influence, then only the proportion corresponding to the percentage of the decrease in participation is recorded in the year's profit/loss account from the amounts previously recognized in other comprehensive income.

At each date of the financial statements preparation, the Group examines whether there are objective indications of impairment of participation in the associate. In this case, the Group calculates the amount of the impairment of its participation as the difference between its recoverable amount and its current value. Impairment value is recognized in the income statement in the account "Profit / (loss) of associates and joint ventures".

Profits and losses arising from transactions between the Group and its associates are recognized in the consolidated financial statements only to the extent that it is attributable to the counterparty not related to the Group. Unrealized profits on transactions between the Group and its associates are eliminated at the percentage of the Group's participation in these companies. Unrealized losses are also eliminated unless the transaction provides an indication of an impairment of the transferred asset.

The accounting policies of the associates have been amended, whenever necessary, to be consistent with those adopted by the Group.

The date of preparation of the financial statements of the associates coincides with that of the parent Company.

In the individual financial statements of the Company, participations in associates are shown at cost less impairment losses, if any.

Joint Ventures: In joint ventures, the Group, together with the other parties, undertake an activity which is subject to joint control under a contract. Joint ventures are accounted for using the equity method.

According to the equity method, the participations in joint ventures are initially recognized at acquisition cost and then adjusted to the Group's percentage of profit (or loss) and other comprehensive income of the joint ventures. When the Group's percentage in the losses of a joint venture is equal to or exceeds its participation in this joint venture (which includes any long-term participation that is, in essence, part of the Group's net investment in it), the Group does not recognize further losses, unless it has made commitments or made payments on behalf of the joint venture. Unrealized profits on transactions between the Group and the joint ventures are eliminated at the percentage of the Group's participation in the joint ventures. Unrealized losses are also eliminated, unless there is evidence from the transaction for the impairment of the transferred asset. The accounting principles of the joint ventures have been amended, whenever deemed necessary to be consistent with those adopted by the Group. The date of preparation of the financial statements of the joint ventures coincides with that of the Parent Company. In the individual financial statements of the Company, participations in joint ventures are shown at cost less impairment losses, if any.

Investments in mutual agreements are classified as joint activities or joint ventures and the classification depends on the contractual rights and obligations of each investor. The Group evaluated the nature of its investments in mutual agreements and decided that they constitute joint ventures.

2.3. Tangible Fixed Assets

Valuation of Tangible Fixed Assets

Tangible fixed assets are presented in the Financial Statements based on historical cost, ie the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire them. The above costs are reduced by the accumulated depreciation and any impairment of tangible fixed assets.

Repair and maintenance costs are recognized in the Income Statement for the year in which they are incurred. Significant improvements are incorporated in the cost of the respective fixed assets, as they increase the useful life, increase the production capacity or improve the efficiency of the respective fixed assets.

When the carrying amounts of property, plant and equipment exceed their recoverable amount, the difference (impairment) is recognized immediately as an expense in the Income Statement for which the impairment is recognized.

Property, plant and equipment and their accumulated depreciation are derecognised upon sale or disposal or when no further financial benefits are expected from their continued use. Gains or losses arising from the write-off of an asset are included in the Income Statement for which the asset is written off.

Depreciation of Tangible Fixed Assets

The method of amortization of tangible fixed assets used is the fixed method, in which the results are charged at a fixed amount throughout the useful life of fixed assets, which is as follows:

- Installations of buildings on third party properties depending on the duration of the lease

- Means of transport 6 - 10 years
- Furniture and other equipment 5 - 10 years

The residual values and useful lives of property, plant and equipment are reviewed and adjusted, if necessary, on an annual basis at the date of preparation of the Financial Statements.

Eligible assets are depreciated over the shortest period of time between the lease term and the useful life of the underlying asset.

2.4. Intangible Assets

Internally Developed Intangible Assets (Self-creation)

These are internally-developed software programs within the company, which is the result of applying the Group's research department findings on these programs, which are not intended for sale, but for the development of new or substantially improved products, procedures, systems, methods or services. These expenses concern the cost of purchasing or self-creating the software, such as starting and ancillary materials, salaries and staff expenses, third-party fees and expenses, third-party benefits and other sundry expenses - disposables, etc. Moreover, it encompasses every expense that has been incurred during the development of new software, in order to bring it to an operational state.

Recognition Criteria

Self-produced intangible assets are recognized in the Financial Statements only if they incorporate the following characteristics:

- Identifiability of an intangible asset meaning that it is capable of being separated and sold, transferred, rented, or exchanged, either individually or together with other assets.
- The Group has control of every intangible asset, i.e. it has the power to receive the future economic benefits arising from the asset and consequently be able to deter others from benefiting from these future benefits.
- It is probable that future economic benefits that are attributable to the asset will flow in the company.
- The cost of every self-created intangible asset must be measured reliably. Expenses are included that can be directly attributed or allocated on a logical and consistent basis, e.g.:
  - The cost of materials and services that are used or consumed for the development of the intangible asset.
  - Salaries and other related expenses of staff that is directly involved in the creation of the intangible asset.
  - Every expenses that is directly attributable to the creation of the intangible asset (e.g. fees for the registration of a legal right).

- Overheads that are necessary for the creation of the intangible asset and can be allocated to it on a logical and steady basis (e.g. distribution of depreciation on assets, premiums, rent, lighting, other direct consumption materials, etc).
- The borrowing cost of loans that were used for the development of intangible assets, based on the provisions of IAS 23 “Borrowing Cost”, which includes interest on short-term and long-term loans as well as interest on bank overdrafts, supplementary expenses (e.g. commissions) that were incurred for the granting of the loan, finance charges in respect of finance leases recognised in accordance with IAS 16 “Leases”, and exchange differences arising from foreign currency borrowings.

Research Stage

All the expenses that are carried out during the research stage, for the purpose of developing an internally created intangible asset, are recognized directly in the Income Statement in the period that they arise. Only expenses related to the development stage can be recognized as asset items. When it is not possible to make a clear separation between the two stages, then all the expenses that may arise during the development of an intangible asset shall be recognized in the Income Statement.

Expenses that had been transferred as expenses to the profit or loss, prior to the recognition of a specific intangible asset, cannot be capitalized after their recognition.

Development Stage

The development stage, which follows the research stage, enables the company to provide proof that an intangible asset will be created.

In order to recognize the cost that will be incurred during the development stage for internally created intangible assets, the Group’s management estimates and cumulatively provides evidence on an annual basis for the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale.
- Its intention to complete the intangible asset and use or sell it.
- Its ability to use or sell the intangible asset.
- How the intangible asset will generate probable future economic benefits. Among other things, the entity can demonstrate a) the existence of a market for the output of the intangible asset and b) if it is to be used internally, the usefulness of the intangible asset.
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- Its ability to reliably measure the expenditure attributable to the intangible asset during its development (costing system).

Measurement after Initial Recognition

Subsequent to initial recognition, IAS 38 allows the intangible assets to be measured using one of the following two methods:

- Intangible assets are recognized at acquisition cost less accumulated depreciations and any accumulated impairment losses, due to their value decrease.
- Intangible assets appear at their revalued amount, which is their fair value, on the valuation date, less any accumulated impairment loss, due to their value decrease.

During the first adoption of the IFRSs, the company applied the historical method, which it continues to apply to this day.

Depreciations

The amortization method for internally created (self-generated) intangible assets used, is the systematic allocation of the depreciable value of the Group's intangible asset over its estimated useful life which ranges between 2 and 10 years. The allocation is done so as to reflect how the economic benefits are received by the company.

During the first adoption of the IFRS, the depreciable value is the historical cost value less the residual value. The residual value is considered to be zero for all of the Group's intangibles.

Given that it is necessary to estimate the useful life of the intangible asset in order to determine its depreciable and residual value, the Group's management has taken all of the following factors into account in order to determine the useful life of each intangible asset:

- The intangible asset's expected use.
- The life cycles for similar products or public information on estimates of useful lives of similar assets.
- Technical, technological, commercial or other types of depreciation.
- The stability of the industry in which the company and the intangible assets operate and market demand for the products or services arising from these assets.
- The expected actions by competitors.
- The level of maintenance expenditure required for each intangible asset over the coming periods and the company's intention to carry out the required maintenance expenditure.
- To what extent the asset's useful life is dependent on the useful life of other assets of the company.

Third-Party Software Licenses

This is a one-off acquisition of software licenses by the company's third parties suppliers. Such software is measures at cost less accumulated depreciations and any impairment.

The straight-line method is used based on which profit or loss is charged with a fixed amount over the useful life of these assets, which is 5 years.

Trademarks

Trademarks are measured at cost less accumulated depreciations. Depreciations are conducted using the straight-line method is used based on which profit or loss is charged with a fixed amount over the useful life of the trademarks, which is estimated at ten (10) years.

Goodwill

Goodwill represents the difference between the acquisition value and the fair value of the individual assets and liabilities when acquiring subsidiaries and associates. Goodwill at the acquisition of associates is included in the acquisition value of the investment. Goodwill is checked annually for impairment. Profits and losses on the disposal of subsidiaries or associates are determined taking into account the relative goodwill corresponding to the sold financial unit.
For the purpose of controlling goodwill and in order to determine whether there is impairment, goodwill is allocated to cash-generating units. Each subsidiary is considered as a separate cash-generating unit.

2.5. Leases

The Group as a lessee

The Group assesses whether a contract constitutes or contains a lease, at the time of its entry into force and recognizes on a case-by-case basis an asset with a right of use and a corresponding lease obligation for all leases in which it is a lessee, except for short-term leases (which re defined as leases with a lease term of 12 months or less) and leases of an underlying asset of low value. For these leases, the Group recognizes leases as operating expenses on a straight-line basis over the term of the lease.

The lease liability is initially measured at the present value of the leases which remain unpaid at the commencement date of the lease term, which are discounted at the imputed lease rate. If this interest rate cannot be easily determined, the Group uses its differential borrowing interest rate. The rents included in the measurement of the lease liability consist of:

- fixed rents (including substantially fixed rents), reduced by any lease incentives,
- floating reant depending on an index or interest rate, which are initially measured using the index or interest rate at the date of the beginning of the lease term,
- amounts that the lessee is expected to pay under the residual value guarantees,
- the price of exercising a purchase right if it is rather certain that the lessee will exercise that right, and
- the payment of a penalty for terminating the lease, if the term of the lease reflects the exercise of the lessee’s right to terminate the lease.

The lease liability is measured subsequently, increasing the carrying amount to record interests on the lease liability (using the effective interest method) and decreasing the carrying amount to record lease payments. The Group recalculates the lease liability (and makes the corresponding adjustments to the relevant right-of-use assets) if:

- there is a change in the term of the lease or if there is a change in the assessment of the right of purchase, in this case the lease liability is remeasured by discounting the revised rents based on the revised discount rate.
- there is a change in rents due to the change in the index or interest rate or the amounts that are expected to be paid due to the residual value guarantee. In these cases the lease liability is measured by discounting the revised rents based on the initial discount rate.
- a lease is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised rents using the revised discount rate.

The lease liability is presented separately in the Balance Sheet.

The right-of-use asset includes the amount of the initial measurement of the corresponding lease liability, the rents paid at the commencement date of the lease term or earlier, and any initial direct costs. They are subsequently measured at cost less any accumulated depreciation and impairment losses. The Group applies IAS 36 to determine whether the right-of-use asset has been impaired.

In cases where the Group contractually undertakes the obligation to disassemble and remove the underlying asset, to restore the space where it has been placed or to restore the underlying asset to the condition provided by the terms and conditions of the lease agreement, it recognizes a provision which is measured in accordance with IAS 37. These costs increase the book value of the right-of-use asset. The Group did not incur any of these costs during the periods presented in these financial statements.

Eligible assets are depreciated over the shortest period of time between the lease term and the useful life of the underlying asset. If, as a result of the lease, the ownership of the respective underlying asset is transferred or the cost of the underlying asset is included in the acquisition price of the underlying asset, given that the Group expects to exercise that underlying asset's purchase right, the said right-of-use asset is depreciated in the useful life of the respective underlying asset. Depreciation starts at the beginning of the lease term.

The assets with the right of use are presented separately in the Balance Sheet.

Floating rents, which are not dependent on any index or interest rate, are not included in the measurement of the lease liability and therefore do not constitute a component of the carrying amount of the right-of-use asset. Relevant payments are recognized as an expense in the period in which the event or the condition for activating these payments occurred and are included in the items "Administration Expenses" and "Disposal Expenses" in the Income Statement and Other Total Income.

According to the provisions of the IFRS 16, the Group applied the practical facilitation of IFRS 16 according to which the lessee is not obliged to separate the non-leased elements, and therefore treats each lease and related non-leased elements as a single contract.

The Group as a lessor

Leases in which the Group is a lessor are classified either as finance or operating. When all the risks and benefits that accompany ownership of the lease are substantially transferred to the lessee, in accordance with the terms of the lease, the lease is classified as financial. All other leases are classified as operating leases.

When the Group is an intermediary lessee, it treats the main lease and the sublease as two separate contracts. The sublease is classified as financial or operating depending on the right-of-use asset arising from the main lease.

Revenue from operating leases is recognized on a straight-line basis over the term of the lease. The initial direct negotiation and transaction costs of an operating lease are added to the carrying amount of the underlying asset and recognized on a straight-line basis during the term of the lease.

The amounts owed by the lessees from finance leases are recognized as receivables in the amount of the Group's net investment in the finance lease. The financial income from the lease is allocated to the reporting periods so as to reflect the fixed periodic rate of return of the Group on the remaining net investment in finance leases.

When the lease includes leasing and non-leasing elements, the Group applies the IFRS 15 in order to divide the contract price into each item separately.

2.6. Impairment of Assets' Value

Assets with an indefinite useful life are not depreciated, but are subject to an impairment check on an annual basis, which is also carried out when events prove that the carrying value of these assets cannot be recoverable.

Assets that are depreciated are subject to impairment checking when events or changes in conditions indicate that it is likely that their carrying value may not be recoverable.

Recoverable amount is the higher net selling price and value in use of an asset. The net selling price is the amount with which an asset can be exchanged or a liability can be settled, in a reciprocal commercial transaction, between two parties who enter the transaction freely and knowledgeably, after deducting any additional direct disposal cost if the asset. Value in use is the present value of the future cash flows expected

to derive from an asset due to its continuous use and from the inflows expected to arise from its disposal at the end of its useful life.
To estimate impairment losses, assets are classified into the smallest identifiable group of assets generating cash flows. Impairment losses are classified as expenses in the profit/loss acccount when they arise.

2.7. Financial Assets and Liabilities

The Group recognizes financial instruments as assets or liabilities if it becomes a counterparty that acquires rights or liabilities under the contractual terms of the financial instrument. At initial recognition, financial assets and liabilities are valued at fair value. In the case of financial instruments that are not valued at fair value through the profit/loss account, the value at initial recognition is increased by transaction costs and reduced by income and commissions directly attributable to their acquisition or creation.
Financial assets and liabilities relate to trade portfolio securities, cash and cash equivalents, equity securities, receivables from customers, liabilities to suppliers and customers and certain items of other receivables and other liabilities.
Trade portfolio securities include the Group's investments in bonds and are valued at fair value with valuation differences being recorded in the profit/loss account.
Financial instruments in this category are reviewed periodically for the existence of expected impairment losses.
Equity securities are non-derivative financial assets that are either classified as available-for-sale or are not eligible for any of the above categories. They are included in non-current assets, if the Group does not intend to liquidate them within twelve (12) months from the date of preparation of the Balance Sheet.
The fair values of investments that are traded in an active market are determined by current demand prices. For non-tradable items, fair values are determined using valuation techniques such as recent transaction analysis, comparable items traded and cash flow discounting.
At each date that the balance sheet is prepared, the Group assesses whether there is objective evidence for impairment of investments in this category. For shares of companies classified as equity securities, such an indication is a significant or prolonged decrease in fair value compared to acquisition cost.
Other financial receivables of the Company and the Group related to bank deposits, receivables from customers and other receivables are classified in the portfolio of financial instruments valued at amortization cost as:

- they are part of a retention-driven business model in order to collect their contractual cash flows, and
- the contractual terms governing them provide only cash flows of interest and interest on outstanding capital, which must be paid on specific dates (Solely Payments of Principal and Interest - SPPI).

Receivables from sales to customers and other cases are initially recorded at their fair value (at transaction value), which coincides with the nominal value, less impairment losses.

Impairment losses (losses on bad-debt receivables) are recognized when there is objective evidence that the Group is unable to recover all amounts due under the contractual terms. The amount of the impairment loss is the difference between the carrying amount of the receivables and the estimated future cash flows. The amount of the impairment loss is recorded in the profit/loss account.

Receivables from customers and other financial receivables of the Group are usually immediately receivable and therefore do not include a fee for the passing of time (time value). The Group applies the simplified approach of IFRS 9 for the calculation of expected credit losses, according to which, the loss provision is always measured at an amount equal to the expected credit losses over the useful life as provided by IFRS 9.

To determine the expected credit losses in relation to receivables from customers, the Group uses a credit loss provision table based on the maturity of the balances. The Group considers that the risk of default for credit sales increases significantly when for some reason the credit limit is not met by customers and payment has not been made up to 90 days late.

The amount of expected credit risk losses for the year is recognized in the profit/loss, in the account "Impairment losses and provisions for credit risk coverage".

The financial liabilities of the Group are valued at amortized cost and are interest-bearing using the effective interest method. The results from the valuation or discontinuation of liabilities valued at fair value are recognized in the line "Financial Income" of Total Income Statement.

The Group discontinues the recognition of financial assets when:

- the cash flows of the financial assets have expired,
- the contractual right to recover cash flows from the financial assets is transferred and at the same time the risks and benefits arising from them are transferred,
- loans or investments in securities become uncollectible, at which point they are written off, and
- the contractual terms of the financial items change substantially.

The Group discontinues the recognition of a financial liability (or part of it) when it is contractually fulfilled, canceled or expires.

2.8. Fair Value Determination

Fair value is defined as the price that the Company and the Group would receive upon the sale of an asset or the price that it would pay in order to transfer a liability, in an ordinary transaction between market participants, at the valuation date, in the main market of the asset or liabilities or in the most advantageous market for the item, in the absence of a main market.

The Company and the Group determine the fair value of the assets and liabilities that are traded in an active market, based on the available market prices. In all other cases, the Company and the Group determine the fair value using valuation techniques that are appropriate to the particular circumstances, for which sufficient valuation data is available and which maximize the use of the relevant observable values. In cases where there are no observable data in the market, data based on internal estimates and assumptions are used, e.g. determining expected cash flows, discount rates, possibility of prepayments or counterparty default. In any case, when valuing at fair value, the Company and the Group use assumptions that would be used by market participants, considering that they act based on their maximum financial interest.

All assets and liabilities that are either measured at fair value or for which fair value is disclosed, are categorized according to the quality of the data used to estimate their fair value, as follows:

- Level 1 data: active market prices (without adjustments),
- Level 2 data: directly or indirectly observable data,
- level 3 data: arise from estimates of the Company and the Group as there are no observable data in the market.

Non-financial assets

The main category of non-financial assets for which a fair value is determined is real estate. As a rule, the procedure followed during the valuation at the fair value of real estate is summarized in the following steps:

- Assignment of the order to the engineer-appraiser,
- Case study - Determination of additional elements,
- Autopsy - Inspection,
- Data processing - Calculations,
- Estimates preparation.

For the calculation of the fair value of each property, the respective appraiser chooses from the following three basic methods:

- Purchase method (or comparative method), which determines the fair value of the property by comparing it with other similar properties for which there are transactions (sales) data.
- Income method, which capitalizes future cash flows that can be secured by the property with an appropriate capitalization rate.
- Cost method, which reflects the amount that would be required in the current period to replace the property with another, of similar specifications, after taking into account the appropriate adjustment due to depreciation.

Examples of data used for the valuation of real estate and which are detailed in the individual estimates are the following:

- Commercial Real Estate: Price per m2, increase of rent per year, long-term percentage of non-leased premises/units (for rent), discount rate, rate of return, term of leases in force (years), percentage of non-leased premises/units (for rent), etc.
- Residential Properties: Net (initial) property yield, expected property yield based on estimated lease value (reversionary yield), net rent per m2 per year, percentage of long-term non-leased premises/units (for rent), term of leases in force (years), percentage of non-leased premises/units (for rent), estimated value of rents per m2, increase of rent per year, discount rate, rate of return, term of leases in force (years), etc..

- General Assumptions such as: building age, remaining useful life, m2 per building etc. also refer to the individual estimates for each property. It is noted that the valuation at fair value of a property is based on the ability of market participants to generate financial benefits from its maximum and best use or from selling it to other market participants, who will use this item to the maximum and best way.

2.9. Inventories

Inventories are the assets that are either held for sale in the ordinary course of business of the Group's companies, or are in the process of production, until they take their final form for sale or are materials and raw materials, which will be consumed in the production process or in the provision of services.

Inventories are valued at the lowest price between acquisition cost and net realizable value.

The acquisition cost price for all inventories is determined using the weighted average cost method of similar items.

2.10. Receivables from Commercial Activity

Receivables from commercial activity of the Group are classified as current assets, as they are held mainly for commercial purposes or for a short period and are expected to be liquidated within twelve (12) months from the date of preparation of the Balance Sheet (e.g. bonds for sale , securities receivable, receivables from customers, etc.).

These receivables, which are sold, used or collected within the operating cycle of the Group, are considered as current assets, even if they are not expected to be received within the next twelve (12) months from the balance sheet date.

The Group's operating cycle means the time between the acquisition of the assets that enter a process within the Group's companies and their liquidation in cash or in a financial instrument that is immediately convertible into cash.

Receivables data are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate less any impairment losses (losses on bad-debt receivables) in conjunction with the new IFRS 9 requirements. The Group has established criteria for the provision of credit to customers, which are generally based on the size of the customer's activities, while assessing relevant financial information. Transactions are generally carried out on normal terms and with an expected average receivable time of one hundred and twenty (120) days from the shipment of the sold goods and services.

At the date of preparation of the Financial Statements, all overdue or doubtful receivables are checked to determine whether or not provision for doubtful receivables is required. The balance of this provision is adjusted appropriately at each balance sheet date to reflect the potential risk of impairment loss.

Impairment losses are recognized only when there is an objective indication that the Group's companies are not able to collect the amounts due to them based on the contractual terms. The amount of the impairment loss is the difference between the carrying amount of the receivables and the present value of the estimated future cash flows discounted at the effective interest rate. Any amount of impairment loss is recognized as an expense in the profit/loss account.

2.11. Cash and Cash Equivalents

Cash and cash equivalents include cash and cash equivalents, such as demand and short-term time deposits, bank accounts and high-liquidity, low-risk investments (Fixed Term Deposits) that can be immediately converted to cash.

2.12. Share Capital

The share capital of the Group is included in the equity of the Balance Sheet and concerns the common registered shares of the parent company. Immediate expenses for the issue of shares appear in a reduction of the issue product.

Direct costs related to the issue of shares for the acquisition of other companies, are included in the acquisition cost of the company acquired.

2.13. Reserves

Reserves are accumulated net profits, which have not been distributed to the shareholders, nor have they been capitalized (i.e. they have not been incorporated in the share capital of the Group with a corresponding increase), but appear in separate accounts of the net position of the company.

i. Statutory Reserve

According to Greek law (Law 4548/2018), the company is obliged, at the date of preparation of the Financial Statements, to form a statutory/regular reserve, equal to at least five percent (5%) of the actual (accounting) net profits of each year.

ii. Extraordinary Reserves

They include reserves that have arisen from taxed profits of the parent company, as a condition for covering the same participation and its inclusion in programs subsidized by various bodies, such as the European Union.

iii. Untaxed Reserves under Special Law Provisions

The Group has reserves formed by the parent company from net profits, which according to special provisions of laws that are characterized as development laws, are not taxed, because they were used to acquire new fixed production equipment. That means that they are formed from net profits, for which no tax is calculated and paid.

iv. Tax-Exempt Reserves and Specially Taxed Income

Reserves from tax-exempt income and reserves taxed in a special way refer to mutual fund income and repos, previously held by the Group parent company, which are exempt from tax or are taxed with withholding tax at source, exhausting the tax liability. In addition to these taxes paid, these reserves are subject to taxation in the event of their distribution. Pursuant to article 72 of law 4172/2013 (Government Gazette A167/23-7-2013) it is necessary to independently tax the tax-exempt reserves that have been formed in accordance with the provisions of law 2238/1994, in the year 2015 with a rate of 19%.

In accordance with the provisions of International Accounting Standard (IAS) 12 (paragraph 46), the Company calculated the respective tax liability in the financial statements for the year 2014. Then in February 2015 it paid the above corresponding tax and returned the remaining amount to its shareholders.

2.14. Subsidies

A state subsidy is aid, provided by the state in the form of a transfer of resources to a company, in return for compliance with or impending compliance with conditions related to its operation.

The recognition criteria, which must be met cumulatively, are the following:

- Reasonable assurance that the company has complied or will comply with the terms of the subsidy, and
- Reasonable assurance that the amount of the subsidy will be received. Receiving the subsidy alone is not sufficient for recognition because it does not demonstrate the ability to fulfill the conditions.

Government subsidies are recognized at their fair value when it is expected with certainty that the Company and the Group will comply with the above conditions.

There are two main types of subsidies, which are recognized in the Financial Statements of the Group and the Company:

a) Asset subsidies

These are sums of money, given to the Company and the Group by government bodies, in order for them to proceed with either the purchase or the construction of a specific fixed asset of long-term exploitation.

Government subsidies related to the purchase of assets are included in long-term liabilities as revenue from subsequent years from government subsidies and are transferred as income to the income statement on a straight-line basis over the estimated useful life of the respective subsidized assets.

b) Expenditure subsidies

These are sums of money, given to the Company and the Group by government bodies, which are related to data that directly determines the results, as an incentive to incur expenses.

Revenue from sunsidies is recorded in the profit/loss account when the expenditure related to the subsidy has taken place.

2.15. Loans – Bank Borrowing

Bank loans are initially recorded at fair value less any direct costs that are associated with loan contracts. They are subsequently measured at undepreciated cost based on the effective interest method. Foreign currency loans are measured based on the prevailing exchange rate at the Balance Sheet date.

Any difference between the amounts that are disbursed to the company by the bank (except for loan conclusion expenses) and the repayment value are recognized in the Income Statement, during the loan term.

The Group's Management believes that the interest rates that are used in the concluded loans are the same as the market's current interest rates therefore there is no need to adjust the value that appears in the Financial Statements.

Loans are classified as short-term liabilities, unless the Group is entitled to postpone its repayment for at least twelve (12) months after the preparation of the Annual Financial Statements.

2.16. Employee Benefits

Short-term benefits: Short-term benefits to employees (cash and kind) are recorded in the results when they become accrued.

Employee Benefits due to Retirement: The obligation for the retirement of the staff after their departure from employement is covered by a public insurance body (EFKA, etc). The Company and its staff contribute to this on a monthly basis. The Company has no further obligation to pay additional contributions in case this body does not have the necessary assets to cover the services related to the staff's employement in the current or previous years. The contributions paid by the Company are recognized in the staff remuneration based on the accrued remuneration principle.

In addition, according to Greek employment law, employees are entitled to compensation in the event of leaving the service, the amount of which depends on the amount of their salary, their previous service in the Company and the reason for leaving the service (dismissal or retirement). In case of resignation or justified dismissal, this right does not exist. The amount payable at retirement is 40% of the amount paid in the event of unjustified dismissal.

The Company's liability from the above defined retirement benefit plan is calculated as the present value of the expected future payments that will be required to settle the liability arising from the services of the current and previous periods. The actuarial method of the projected unit credit method is used to determine the liability while the yield of high credit rating bonds with maturity dates that approach approximately the time limits of the Company's liability is used as a discount rate.

Interest on the defined benefit obligation is determined by multiplying the liability by the interest rate used to calculate the present value of the liability, as determined at the beginning of the period and taking into account any changes in the liability. This interest as well as other expenses related to the defined benefit plan, except actuarial profits and losses, are recorded in staff remuneration.

Actuarial profits and losses arising from increases or decreases in the present value of the defined benefit obligation due to changes in actuarial assumptions are recognized directly in equity and are never reclassified in the profit/loss account.

2.17. Provisions, Contingent Liabilities and Contingent Receivables

The provision is defined as a liability of indefinite duration or amount, which is recognized in the balance sheet of the company, only when the following conditions apply simultaneously:

- The company has a present obligation, as a result of past actions, legal - contractual with explicit terms, current or presumed legislation – through an established past practice that it accepts certain responsibilities and as a result has created the reasonable expectation that it will meet these responsibilities.
- It is probable that an outflow of resources embodying financial benefits will be required to settle the above liability, ie the provision will be recognized if the probability of an outflow of resources is greater than the probability that it will not occur.
- A reliable estimate can be made on the amount of this obligation.

The expense is estimated by the Group, based on previous experience from similar cases and transactions. In addition, information and financial events that occur after the balance sheet date are taken into account.

When the effect of the time value of money is significant, then the amount of the provision to be recognized is determined as the discounted value of the future expenses required to settle the liability, using a pre-tax discount rate, which reflects the time value of money, current market conditions, and the risks associated with the liability.

Contingent liabilities arise from past events and are not recognized in the Financial Statements, as they depend on uncertain future events, whose settelement is unlikely to give rise to an outflow of financial resources. However, they are disclosed unless the above possibility is minimal.

Contingent receivables are probable receivables that arise from past events, but their existence will be confirmed if one or more uncertain future events occur. For this reason, they are not reflected in the Financial Statements, but are disclosed when the inflow of financial benefits is probable.

2.18. Borrowing Costs

Borrowing costs are the interest arising from borrowing, as well as the other expenses incurred for the conclusion of loan agreements between the Group's companies and financial institutions.

They also include:

- interests on short-term and long-term bank loans, as well as interest on overdrafts,
- additional costs (e.g. commissions) incurred in concluding loan agreements and consequently in obtaining loans,
- financial charges from financial leases and

- foreign exchange differences of foreign currency loans, to the extent that they are considered financial expenses.

Regarding the recognition of borrowing costs, the management of the Group has adopted the alternative method of IAS 23 "Borrowing Costs", so that it is fully harmonized with the amendment of this standard, which is mandatory from 1 January 2009. According to the method, this cost is now capitalized when the loans are related to the purchase, construction and creation of eligible fixed assets and is transferred to an increase in the cost of these assets.

This presupposes that:

- it is probable that the company will have future financial benefits from these data.
- borrowing costs which will increase the value of eligible assets can be reliably determined.

The Group applies the alternative method, according to the standard for all assets included in the category of eligible fixed assets.

In addition, all borrowing costs are capitalized when they meet the capitalization criteria. Lastly, the method is consistently applied from one period to another.

2.19. Income Tax (Current and Deferred)

Current and deferred income tax are calculated based on the relevant items of the financial statements and in accordance with the tax laws applicable in Greece. The current income tax concerns a tax on the taxable profits of the companies of the Group, as reformed according to the requirements of the tax law, and was calculated based on the applicable tax rate.

Deferred tax is calculated using the liability method on all provisional tax differences at the balance sheet date between the tax base and the carrying amount of the assets and liabilities.

Expected tax implications from provisional tax differences are determined and presented either as future (deferred) tax liabilities or as deferred tax liabilities.

Deferred tax liabilities are recorded for all deductible provisional differences and transferable tax losses to the extent that it is probable that a taxable profit will be available against which the deductible provisional difference can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and is reduced to the extent that it is probable that there will be sufficient taxable profits against which part or all of the deferred tax assets will be used.

Current tax assets and liabilities for the current and previous years are valued at the amount expected to be paid to (or recovered from) the tax authorities, using tax rates (and tax laws) that have been established, or substantially enacted, up to the date of the Balance Sheet.

Deferred tax assets and liabilities are offset when the company has the legal right to offset the corresponding amounts also when they relate to income taxes, which have been imposed by the same tax authority.

2.20. Income

The Group's income is valued at the fair value of the consideration received or receivable, net of Value Added Tax, taking into account any kind of discount provided, as well as any refunds.

In the Group's sales, the transaction price is in the form of cash or cash equivalents and the amount of income is that of cash or cash equivalents, received or receivable. As the credits given by the Group extend within its operating cycle, the nominal (invoiced) value is equal to the fair value.

Intercompany income within the Group is completely eliminated.

The new IFRS 15 standard introduces a five-stage model to measure revenue from customer contracts, as follows:

1. Determining the contract (s) with the customer.

2. Determining enforcement obligations.

3. Determining the transaction price.

4. Distributing the transaction price in the contractual execution obligations.

5. Recognising income when the Company fulfills an execution obligation.

In accordance with IFRS 15, revenue is recognized when a customer acquires control of goods or services, specifying the timing of the transfer of control either at a given time or in the long run.

The Group recognizes revenue in relation to the category to which it belongs:

- **Income from the sale of goods**, which are recognized if all of the following conditions are met:
  - The Group has transferred to the buyer the substantial risks and benefits of ownership in the goods.
  - There is no involvement by the Group in the management of the goods sold, nor does it maintain their actual control.
  - The amount of income can be valued reliably.
  - It is probable that the financial benefits of the transaction will flow in the company.
  - Costs associated with the transaction can be measured reliably.
- **Income from the provision of services**, which are recognized based on the stage of completion of a transaction, related to the provision of service, at the date of preparation of the Financial Statements, when the result of this transaction can be reliably estimated on that date. Reliable assessment is achieved when the following conditions are met:
  - The amount of income can be valued reliably.
  - It is probable that the financial benefits associated with the transaction will flow in the company.
  - The degree of completion can be estimated reliably at the date of preparation of the Financial Statements.

- Costs incurred, as well as those that will be required until the completion of the service, can be estimated reliably.

  The Group, in order to be able to make reliable assessments, concludes agreements for each transaction related to the provision of services, which define, among other things, the exact price of the service, the rights and obligations arising for each party, the manner and the terms of payment of the price.

  In addition, the degree of completion of a service transaction is calculated on the basis of the services provided up to the date of preparation of the Financial Statements, in relation to the total services to be provided or the proportion of costs already incurred in relation to its estimated total cost of that transaction.

- **Income from interests**, which result from the use of the Group's assets by third parties and are recognized on a time proportion basis using the effective interest rate. The real interest rate of an asset is the required interest rate, which discounts the future cash flows that will flow into the company, from the use of this asset, throughout its useful life, so that they are equal to its original book value. When an item is impaired, its carrying amount is reduced to its recoverable amount, which is the present value of the expected future cash flows discounted at the original effective interest rate. Subsequently, interests at the same rate are charged on the impaired new carrying amount.
- **Income from dividends.** Dividends are accounted as income when the right to collect them is finalized, i.e. when they are approved by the General Meeting which is legally competent to distribute them.

2.21. Recording Expenses

Expenses are recorded in the profit/loss account when accrued. Payments made for operating leases are carried forward to in the profit/loss account as expenses at the time of use of the leased property. Interest expenses are recognized when accrued.

2.22. Dividend Distribution

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

2.23. Earnings per Share

IAS 33 "Earnings per Share" provides two indicators for calculating earnings per share:

- Basic earnings per share, which are calculated by dividing the profit (or loss) of the year, which is proportional to the holders of common shares, by the weighted average of the common shares in circulation, during this fiscal year.
- Fully distributed earnings per share, the philosophy of which lies in the fact that certain categories of securities, which at the time of determining earnings per share are not entitled to participate in the distribution of profits of the year under review, are entitled to participate in the distribution of earnings for future years.

As at 31 December 2020, the share capital of the company consists entirely of common shares. In addition, the company does not hold any categories of securities that may have a reducing effect on earnings per share. Therefore, it calculates basic earnings per share according to the above basic earnings per share calculation method.

2.24. Currency Conversion

Functional Currency and Presentation Currency

The data of the Financial Statements of the Group's companies are measured based on the currency of the primary economic environment in which it operates. Therefore, as the Group operates in Greece, the functional currency is the Euro (€), which is defined as the functional and presentation currency of its Financial Statements.

Transactions and Balances

Transactions in other currencies are converted into the functional currency using the exchange rates applicable at the dates of each transaction. Foreign exchange profits and losses arising from the settlement of such transactions during the year, as well as from the conversion of monetary items expressed in foreign currencies at the exchange rates applicable at the balance sheet date, are recognized in the Income Statement. Transactions that meet the conditions of cash flow hedging, which are shown in equity, are excluded, as well as exchange differences that are proportionally related to the amended main method of IAS 23, applied in the year 2012 by the Group and are presented at the cost of its eligible assets.

Foreign exchange differences on non-monetary items that are measured at fair value are considered as part of fair value and are therefore recorded where the fair value differences are located.

2.25. Financial Information per Sector

The Group is obliged to determine primary and secondary sector for its activities, as well as to present different information about the primary sector, in relation to the secondary sector.

The two sectors' financial data which the Group must present, are:

- Business sector, which is any distinct part of the Group's companies, which provides a product or service or a group of related products or services, which are subject to risks and benefits that differ from those of other business sectors. The factors that are taken into account for the classification of products and services in a business sector, are the nature of the products or services, the form of the production process, the customers to whom the product or service is addressed, the way the products or services are marketed, the institutional framework of the operating environment.

- Geographical sector, which is any distinct part of the Group's companies, which provides products or services within a specific economic environment and which is subject to risks and benefits, which differ from those of other sectors operating in other economic environments. Factors taken into account for the delimitation of geographical areas include similarity in political and economic conditions, the relationships between operations in different geographical areas, the proximity of operations and the existence of specific risks associated with operations in a specific area.

Taking into account the fact that the source and nature of the risks and the benefits of the activities of the Group companies, depend mainly on the products it produces and the services it provides, as well as the internal organizational and administrative structure and the existing system of internal information, management defines the business sector as primary and the geographical sector as secondary.
Further analysis is provided in paragraph 34 herein.

2.26. Defining Affiliated Parties

In accordance with IAS 24, an associate is defined as a natural or legal person who is affiliated with an entity that prepares financial statements. Specifically for the Company, related parties are considered:

1) The legal entities, which for the Company consitute:
   i. subsidiaries,
   ii. joint ventures,
   iii. related companies

2) The natural persons, who belong to the main executives and their close relatives. The main executives consist of all the members of the Board of Directors of the Company, while their spouses as well as their first degree relatives and their dependent members and their spouses are considered as close relatives.

In addition, the Company discloses transactions and existing balances with companies, in which the above persons exercise control or joint control. In particular, this disclosure concerns participations of the above persons in companies with a percentage of more than 20%.

2.27. Comparative Data

Where necessary, previous fiscal year comparative figures are adjusted to cover changes in the presentation of the closing year. The balances of the comparative information come from the published financial statements for the fiscal year 2019.

3. Accounting Estimates and Judgments made by Management

Estimates and judgments made by management are continually evaluated and are based on historical data and expectations of future events that are considered reasonable under the circumstances.

Management makes estimates and assumptions in relation to the outcome of existing figures. The estimates and assumptions that carry a significant risk of causing substantial adjustments to the values recognised in the financial statements, corporate and consolidated, in the coming 12 months include:

A) Management is required to make a judgment about the income tax provision. If the final tax amount differs from the initially recognized amount, the difference will affect the income tax and the provision for period’s deferred tax.

B) The Group’s companies recognize a provision for contested cases based on information from the Group’s Legal Service.

C) Judgment by Management is required on an annual basis, to determine the recoverability of the Group’s trade receivables, in order for them to be reflected in their recoverable amount, recognizing the required credit losses.

D) The Group’s companies recognize provisions for the impairment of holdings taking into account future inflows therefrom.

E) Judgment is required, annually, by the Group’s companies regarding the determination of the useful lives of intangible assets that are recognized in the Financial Statements.

4. Financial Risk Management

The activities conducted by the Group and the Company generate various financial risks such as credit risks, liquidity risks and market risks. The Group’s and Company’s strategy and policy is to prevent and minimize the unfavorable impacts that may arise from these risks.

The financial products that the Group and Company primarily use consist of trade receivable accounts, bank deposits, trade receivables discounting accounts, investments in securities and accounts payables. The accounting department in collaboration with its other divisions that manage these risks, is responsible for their detection, assessment and hedging, where necessary.

- **Market Risk**

Market risk, which include foreign exchange risk, due to changes in foreign exchange rates, fluctuations that affect the prices of financial instruments due to a change in the interest rate and price risk, i.e. is the risk of a decline in the value of a financial instrument, due to a change in market prices either caused by factors that are specifically related to the instrument or to the issuer, or by factors that generally affect the market’s tradable instruments.

The rapid spread of the coronavirus (COVID-19) found the global financial system and businesses largely unprepared. The economy is entering a period of uncertainty and instability, the consequences of which are difficult to assess based on the data so far. The economic consequences will depend on the duration, intensity and degree of the spread of the disease in Greece and worldwide. Depending on the duration and extent of the financial instability, the Group will be exposed to the corresponding market risk.

Despite the fact that there is a risk for the company, which arises mainly from trading in foreign currencies, the management does not use financial tools to reduce this risk, because it does not consider the transactions to be significant due to their value and frequency. However, the company's position in relation to the above risk and the use of specific financial management tools to reduce the risk is reviewed on an annual basis.

i. Foreign exchange Risk

Almost all transactions of the Group and the Company take place in euros, therefore there is no exposure to foreign exchange risk.

Foreign exchange risk arises from future trade transactions, recognized assets and liabilities and equity position of investments in holdings operating in foreign countries.

The Group, on a regular basis, does not pre-purchase foreign exchange and does not enter into foreign exchange futures contracts with external counterparties and foreign exchange hedging.

The Group has holdings in subsidiaries operating in foreign countries whose equity position is exposed to foreign exchange risk when converting their financial statements for the purpose of consolidation. Also, the Group's activities outside Greece do not include significant commercial transactions and therefore there is no significant foreign exchange risk.

ii. Risk of Changes in Market Interest Rates and Price Risk

The Group and the Company have interest-bearing financial assets, such as demand and term deposits and equity securities. In addition, the Management's policy is to have a floating interest rate for the borrowing products of the Company and the Group. Despite the fact that there is a risk for the group and the company, the management does not use financial tools to reduce this risk, because it does not consider the transactions important, due to their value and frequency. However, on an annual basis, the position of the company reassessed in relation to the above risk and the need to use specific financial instruments to mitigate it, is evaluated.

iii. Cash flow interest rate risk

Cash flow interest rate risk is the risk of fluctuating future cash flows of a financial instrument due to a change in market interest rates.

With respect to the Group and the Company, this risk primarily stems from long-term loans, of which those that have been concluded with a variable interest rate expose it to a cash flow risk, whereas those that have been concluded with a fixed interest rate expose it to the risk of fair value changes of these loans. The Group and the Company's policy is to conclude loans with a variable interest rate, thus hedging the future cash flow risk with changes in the values of its sold goods, when significant changes are anticipated in the loan interest payments.

- **Credit Risk**

Credit risk is the chance of loss due to one of the contracting parties to a financial instrument not meeting contractual obligations causing financial loss to the other party. The Group and the Company are not significantly exposed to credit risk because on the one hand, wholesale trading is carried out with credible customers with a positively evaluated credit history and on the other hand, retail sales are primarily made in cash.

The Group and the Company's transactions with customers are developed after an assessment of their solvency and reliability, in order to avoid problems of late payments and bad debts. Customers' credit limits are monitored at regular intervals and redefined if necessary. Receivables from customers are widely dispersed and therefore credit risk is kept to a minimum. The fair value of the financial data at the closing of the balance sheet on 31/12/2020 is presented below:

	GROUP		COMPANY	
	31.12.2020	**31.12.2019**	**31.12.2020**	**31.12.2019**
Customers and other trade receivables	11,488,567.46	9,712,967.09	7,235,655.68	8,124,622.64
Relevant provisions	(1.339.929.42)	(1,044,834.35)	(1,101,651.12)	(938,587.14)
	10,148,638.04	**8,668,132.74**	**6,134,004.56**	**7,186,035.50**

At the closing of the Balance Sheet as at 31/12/2020 the Management deems that there is no credit risk not covered by the provision for bad-debt receivables. It is noted that the increase of receivables of 31/12/2020 in the group is due to the integration of the receivables of the subsidiary DATA CCOMMUNICATION S.A. which is consolidated for the first time using the full consolidation method in the current financial statements

The rapid spread of the coronavirus (COVID-19) found the global financial system and businesses largely unprepared. The economy is entering a period of uncertainty and instability, the consequences of which are difficult to assess based on the data so far. The economic consequences will depend on the duration, intensity and degree of the spread of the disease in Greece and worldwide. Depending on the duration and extent of the financial instability, the Group will be exposed to the corresponding market risk.

- **Liquidity risk**

Liquidity risk is due to difficulties in finding capital to cover liabilities that are related to financial instruments.

The Group and the Company have a low exposure to liquidity risk as they have sufficient cash and cash equivalents to cover short-term liabilities. In addition, it has high limits on unsecured bank financing. The ratio of current assets to short-term liabilities for the Group on 31/12/2020 was set at 263.0% compared to 271.3% on 31/12/2019 and respectively for the Company on 31/12/2020 it was 261.4% compared to 236.8% on 31/12/2019.

The following table presents the analysis of the maturity of the Group and the Company's financial liabilities:

	GROUP			
	31.12.2020			
	Up to 1 year	**From 2 to 5 years**	**Over 5 years**	**Total**
Borrowing	4,185,465.68	10,865,126.36	-	**15,050,592.04**
Lease liabilities	584,347.88	1,692,084.50	281,159.84	**2,557,592.22**
Suppliers and Other Commercial Liabilities	7,849,924.05	138,598.06	-	**7,988,522.11**
	12,619,737.61	**12,695,808.92**	**281,159.84**	**25,596,706.37**

	31.12.2019			
	Up to 1 year	**From 2 to 5 years**	**Over 5 years**	**Total**
Borrowing	2,552,049.43	4,252,785.18	-	**6,804,834.61**
Lease liabilities	348,424.65	1,025,904.68	413,659.70	**1,787,989.03**
Suppliers and Other Commercial Liabilities	3,766,267.38	133,267.86	-	**3,899,535.24**
	6,666,741.46	**5,411,957.72**	**413,659.70**	**12,492,358.88**

	COMPANY			
	31.12.2020			
	Up to 1 year	From 2 to 5 years	Over 5 years	Total
Borrowing	2,941,021.22	9.068.278,40	-	**12,009,299.62**
Lease liabilities	313,012.06	747.980,43	217.880,87	**1,278,873.36**
Suppliers and Other Commercial Liabilities	4,977,172.41	132.897,30	-	**5,110,069.71**
	8,231,205.69	**9.949.156,13**	**217.880,87**	**18,398,242.69**

	31.12.2019			
	Up to 1 year	From 2 to 5 years	Over 5 years	Total
Borrowing	2,513,119.63	4,222,178.93	-	**6,735,298.56**
Lease liabilities	297,122.50	890,385.76	309,836.70	**1,497,344.96**
Suppliers and Other Commercial Liabilities	2,707,022.75	133,267.86	-	**2,840,290.61**
	5,517,264.88	**5,245,832.55**	**309,836.70**	**11,072,934.13**

- **Other Operating Risks**

The insurance coverage for assets and other risks is deemed adequate as at 31/12/2020 for the Group and the Company. Moreover, the Management of the Group and Company has installed an adequate and reliable internal control system to prevent risks associated with its commercial operations.

- **Capital Management**

The objectives of the Company in relation to capital management are to ensure the possibility of smooth operation of the Company in the future in order to provide satisfactory returns to shareholders and other participants and to maintain an ideal distribution of capital thus reducing the cost of capital.

In order to maintain or adjust its capital structure, the Company may change the dividend to shareholders, return capital to shareholders, issue new shares or sell assets to reduce its debt.

In accordance with similar practices in the industry, the Company monitors its capital based on the leverage ratio. This ratio is calculated by dividing net borrowing by total capital employed. Net borrowing is calculated as “Total borrowing” (including “short-term and long-term borrowing” and the balance of lease liabilities as shown in the statement of financial position) less “Cash and cash equivalents”. Total employed capital is calculated as “Own Equity” as shown on the balance sheet plus net borrowing.

The leverage ratio on 31 December 2020 and 2019 respectively was as follows:

(amounts in 000 €)	GROUP		COMPANY	
	31.12.2020	**31.12.2019**	**31.12.2020**	**31.12.2019**
Total borrowing liabilities (Note 26)	15,050,592.04	6,804,834.61	12,009,299.62	6,735,298.56
Lease liabilities (Note 27)	2,557,592.22	1,787,989.03	1,278,873.36	1,497,344.96
Less:				
Cash and cash equivalents (Note 19)	20,788,875.39	8,593,947.46	13,844,031.22	5,320,158.43
Net borrowing amount	(3,180,691.13)	(1,123.82)	(555,858.24)	2,912,485.09
Total Equity	22,205,642.44	13,506,552.06	19,253,716.06	12,550,312.64
Total employed capital	19,024,951.31	13,505,428,.24	18,697,857.82	15,462,797.73
Leverage ratio	**(16.72%)**	**(0.01%)**	**(2.97%)**	**18.84%**

- **Macroeconomic environment**

Effects of the COVID-19 Pandemic

On 11th March 2020, the World Health Organization declared a SARS CoV 2 coronavirus infection as a Pandemic. The Greek government immediately put the entire health resources on alert and took a series of decisions aimed at slowing down the spread of the virus while announcing a series of targeted measures to reduce the impact on society and the economy.

The emergence and evolution of the COVID-19 pandemic, in combination with the measures taken to deal with it, had a negative impact on economic activity both internationally, nationally and locally.

In this context, the Epsilon Net Group, with responsibility, determination and commitment to its corporate values in this difficult time, actively participated in the effort of the Greek state to limit the spread of coronavirus (COVID-19) in the protection of public and of private health, successfully implementing a series of special measures to deal with its transmission, in accordance with the decisions and suggestions of the Ministry of Health, NPHO, of the Committee of Infectious Diseases, which in full harmonization with the decisions of the ECDC and the recommendations of the World Health Organization, aimed at the health and safety of employees, customers, and associates of the Group and their families.

The Management of the Group responsibly acted immediately taking measures to ensure:

a) The health and safety of employees, customers and partners.

b) The business continuity of the Group's activities with the utilization of the Group's technological infrastructures

c) Minimizing the operational and financial consequences of COVID-19 dispersion measures.

Specifically:

- ✓ The Company proceeded to total disinfection of all its premises and offices in Thessaloniki & Athens as a general preventive measure

- ✓ The Occupational Physician initially informed the Company staff in detail about the pandemic and its consequences, while then he was in constant contact with them to solve all the questions, giving clarifications and medical instructions where required.
- ✓ Systematically and at regular intervals, the Human Resources Department informed and continues to inform about the ways of prevention and protection of employees and their families (with emphasis on vulnerable groups) in accordance with the instructions of NPHO.
- ✓ Instructions for staying at home were given immediately to those who showed even mild symptoms of seasonal flu.
- ✓ All business trips stopped immediately and completely.
- ✓ All teleworking infrastructures in which the Group had already invested were activated and from 23.03.2020 90% of the Company's staff and all its subsidiaries implemented teleworking with absolute success and safety
- ✓ The staff was informed about the possibility of utilizing and issuing special purpose permits.
- ✓ Visits to and from external partners and customers have stopped.

The Epsilon Net Group, having steadily invested in technologies and equipment that support remote work and guarantee maximum security in data management, with the appropriate training of all its staff, designed and implemented policies & procedures for full remote work, without changing the high level in the way of communication / support with its customers and external partners.
With an absolute sense of responsibility for the health and safety of the Group's employees and their families, almost all the staff work consistently from home and with absolute success the operation of all the companies of the Group continues smoothly and efficiently.
According to the PWC study on the effects of the pandemic on Greek companies in contrast to the generally pessimistic climate that prevailed during the outbreak of the pandemic, Greece has shown particularly rapid reflexes in managing the health crisis. The digitization of critical functions of the public administration was accelerated, pushing the modernization of the State and creating the background for the next day.

At the same time, a significant portion of companies, despite the digital deficit that characterized them in general, showed strong capabilities to adapt to the needs of the pandemic by adopting the practice of teleworking and other digital solutions to continue its operation, such as e-commerce. According to the data recorded by the Ministry of Finance for the month of October, there was an increase of electronic transactions by € 3 billion compared to the corresponding period last year. At one-month level, the Greek economy shrank less than the Eurozone economy (8.5% vs. 9.2%), while strong European economies experienced a much deeper recession in the first 9 months of 2020. The positive course that Greece had before pandemic in combination with the strengthening of critical sectors in the midst of the health crisis, strengthens the position of Greece internationally, as reflected in the ranking of the International Institute for Management Development (IMD) for the international competitiveness of economies. The ranking takes into account the country's economic performance, the performance of the public and private sectors and the quality of infrastructure. In the midst of a crisis, Greece managed to secure € 12 billion in financing from international markets in 2020, with the lending rate hovering around 1.7% on average. The low lending rates, despite the difficult conditions that the Greek economy is experiencing due to the pandemic, are based on the inclusion of Greek Bonds in the quantitative easing program of the European Central Bank but at the same time confirm the maintenance of lenders' confidence in the country's prospects. The relatively better course followed by the Greek economy compared to other European countries, the effective management of the pandemic and the progress achieved in particularly adverse conditions strengthens confidence in the country's prospects and strengthens its image internationally.

In contrast to the economic crisis where the country had lost access to markets due to a lack of confidence, this time the additional fiscal needs of the economy are financed through borrowing from international markets and support from EU programs. The ability to borrow at low interest rates is a key factor, but also a significant challenge for the long-term viability of the Greek debt. For this reason, the country should invest in the logic of maintaining the climate of trust that has been built with the markets in recent years, through prudent fiscal policy combined with the implementation of the necessary reforms. The smooth adaptation of the economy to the post-Covid era and its speed of recovery are directly affected by the ability to raise funding. The continuation of the policy of quantitative easing by the European Central Bank is a major challenge for the country as it helps maintain investor confidence.

Currently, the extent of the impact on the Group's results due to the COVID - 19 pandemic is not significant. 2020 was another year of very positive performance in all economic figures despite the special circumstances. The COVID - 19 epidemic may have further negative effects on the global economy for 2021, while in the future it is likely to negatively affect the Group's activities or reduce the demand for its products and services. Each of these developments can have an impact on the Group's financial results in 2021, but the experience of recent months makes management more optimistic about achieving the goals set for 2021. After all, the initiatives taken by both the Greek Government and the European institutions are in favor of a positive scenario.

The Greek economy in the last decade has suffered a significant investment lag with the gross fixed capital formation falling from 22% of GDP in 2008 to just 10% in 2019, while the European average is moving over time to 20% of GDP. It is clear that the attraction of investments and the utilization of the available resources of the Recovery Fund, amounting to € 32 billion, where in total with the rest of the European resources that will flow by 2027, are expected to reach a total of € 72 billion, are emerging as catalysts for accelerating the economic recovery. The main challenge for Greece after the end of the pandemic is the maximum possible absorption of the available resources of the Recovery Fund by including strategic projects mature for implementation and with a high multiplier, but also by upgrading public infrastructure. Businesses will also play an important role in the absorption of the Fund's resources. Based on the National Recovery Plan, they should be properly prepared for the opportunities that will present themselves to the economy, submitting integrated business plans for financing, especially in the fields of digitization and energy upgrading. The Group is at the starting point of this course, having all the possibilities to take advantage of the opportunity and to provide high level services and products in the private and public sector in the context of the digital transformation of the country.

However, given the changing nature of the epidemic, the extent to which COVID - 19 will affect the Group's performance will depend on general future developments, which remain uncertain and cannot be safely predicted at this time. The further spread of COVID - 19 is likely to cause an economic slowdown or recession, which may adversely affect demand for the Group's products, or cause other unforeseen events, each of which could have an impact on business, in the operating results or in the financial situation of the Group.

The impact of the extremely difficult situation of the domestic and global economy for the duration of 2021, is considered not to have particularly negative consequences on the financial situation of the Group (as in 2020) for a number of reasons, the main ones of which are:

A) The Group has a very strong clientele, numbering over 70,000 active customers with a wide range of software programs, which does not create dependencies on specific customers and shares the risk.
B) The Group's clientele covers a wide range of activities of the domestic economy and is not expected to expose it to major negative changes that may occur due to COVID-19 in specific sectors of the Greek economy.
C) In addition, the non-dependence on high value contracts (which may exist in other IT companies), creates financial stability as the Group's average pricing per customer is low, leads to high receivables and drastically reduces exposure and dependence on "large" customers.
D) The software and services of the Group are necessary for the daily operation of the companies, as they are commercial programs but also payroll calculations and personnel management programs, which are the absolutely necessary tools for all companies to continue their operation and data exchange. with state authorities. The essential usefulness of the Group's tools was enhanced by the impact of the measures to deal with the financial consequences of COVID-19, as their utilization by companies and accounting required robust and up-to-date information systems with immediate adaptation to the constant changes of special Employment, Insurance and Tax provisions.

The high rate of return enables the Group (in any possible development of the effects of the pandemic) not to require significant additional funds or significant additional credit lines in relation to the existing ones in order to meet its financing needs and to continue its operation smoothly in every level.

At the date of preparation of the Financial Statements, due to the effects of the COVID-19 pandemic, there was no termination of existing customers' contracts and therefore the part of sales coming from existing customers was not affected while the decrease in the value of the Group's sales compared to corresponding period in the previous year was insignificant, ie of the order of 1% and resulted from a limitation of the number of new customers.

In accordance with the requirements of IAS 10, the impact of the financial impact of the COVID-19 pandemic is a non-corrective event for the financial statements ended 31 December 2020. Depending on the development of the above parameters, the Management has prepared comprehensive operational and financial action in order to continue its full and efficient operation.

5. *Group's Structure and Activities*

A. Subsidiaries Consolidated with the Full Consolidation Method

The Group has classified its subsidiaries and other holdings according to the business sector in which they operate. The structure of the Group as at 31st December 2020 is as follows:

Name	Address	Purpose	Share capital	Date of establishment/ consolidation	Participation percentage (%)	Consolidation method
EPSILON EUROPE PLC	2 Agias Fylaxeos & Zinonos Rossidi - POBox 596 55 - 4011 - Limassol - Cyprus	Develoment of Group's Operations in Europe	300,000 shares of 1.00 € each	23.01.2009 (establishment)	99.966%	Full Consolidation
EPSILON PYLON A.E.	Side Road, 87, 17th November - 555 34 - Pylaia - Thessaloniki	Provision of Educational Services	60,000 shares of 1.00 € each	05.01.2009 (establishment)	99.983%	Full Consolidation
EVOLUTIONSNT PLC	80 Strafford Gate Potters Bar - Herts - United Kingdom - EN6 1PG	Develoment of Group's Operations in Europe	2,035,345 shares of 1.00 £ each	26.09.2012 (establishment)	99.956% (indirect participation)	Full Consolidation
EVOLUTIONSNT (UK) LTD	80 Strafford Gate Potters Bar - Hertfordshire - England - EN6 1PG - United Kingdom	Develoment of Group's Operations in Europe	1,000 shares of 1.00 £ each	02.10.2014 (establishment)	100.000% (indirect participation)	Full Consolidation
EPSILON HR A.E.	Side Road, 87, 17th November - 555 34 - Pylaia - Thessaloniki	Software Production and Marketing	24,000 shares of 1.00 € each	22.02.2016 (establishment)	35.000%	Full Consolidation
EPSILON SUPPORT CENTER A.E..	5-7 Andromachis - 562 24 - Evosmos - Thessaliniki	Provision of IT Services	20,000 shares of 10.00 € each	02.08.2019 (establishment)	51.000%	Full Consolidation
HOTELIGA INTERNATIONAL Sp. Z O.O.	Al. Jana Pawła II 43b 20 31-864, Krakow, Poland	Provision of IT Services	143 shares of 50.00 PLN (€) each	21.07.2020 (acquisition)	51.000%	Full Consolidation
DATA COMMUNICATION A.E.	2 Panagi Tsaldari & Zaimi - 151 27 - Melissia - Attica	Provision of IT Services	3,750,000 shares of 0.53 € each	27.10.2020 (acquisition)	80.000%	Full Consolidation

The subsidiary company "**EPSILON EUROPE PLC**" with registered seat in Cyprus participates in the company "EVOLUTIONSNT PLC" by 99.99% and in the company "**EVOLUTIONSNT (UK) LTD**" by 100,00%, both of which have registered seats in England. Therefore, these companies located in England are consolidated using the full consolidation method, due to the indirect participation of the parent company EPSILON NET SA. It is noted that **EVOLUTIONSNT (UK) LTD** was established within the 2nd half of 2014 and was consolidated for the first time in the annual financial statements as of 31/12/2014.

Moreover, the parent company participated by 35% in the company EPSILON HR SA, which is active in the production and marketing of software specializing in the field of information systems for human resources, initially based on the Board of Directors resolution dated 21/01/2016, and subsequently, pursuant to the private share-transfer agreement dated 18/06/2020, it acquired from the company Varian Investments, shares that correspond to an additional 30%, for an amount of € 9,432.00.

The parent company participates by 99.983% in the company **EPSILON PYLON S.A.** (former EPSILON EDUCATIONAL SOCIETE ANONYME), which is active in the field of educational services and in the IT sector.

Also, the parent company participates by a percentage of 35% in the company **EPSILON HR S.A.**, which is active in the production and marketing of software, initially based on the decision of the Board of Directors dated 21/01/2016 for participation in its initial Share Capital with a 35% participation. In 2020 and more specifically pursuant to the private share transfer agreement dated 18/06/2020, it acquired from the company Varian Investments, shares that correspond to an additional 30% for an amount of € 9,432.00.

Therefore, EPSILON NET S.A. owns 65% of the share capital of EPSILON HR S.A., while the remaining 35% is owned by Mr. Michael Protopapas.

The consolidation was done for the first time in the interim financial statements of 30/06/2016 with the method of full consolidation, given that EPSILON NET S.A. determines the financial and business policy of EPSILON HR SA, which is classified as a subsidiary.

It is noted that in August 2019 a societe anonyme was established with the name "EPSILON SUPPORT CENTER SOFTWARE PROJECTS DEVELOPMENT AND SUPPORT SOCIETE ANONYME" and distinctive title "**EPSILON SUPPORT CENTER S.A.**". The purpose of the subsidiary is the development and support of software projects produced by EPSILON NET. H EPSILON NET S.A.considers that the establishment of the new company lays the foundations for the achievement of its strategic goals for the provision of integrated IT services. Consolidation was conducted for the first time on 31/12/2019 using the full consolidation method.

Since July 2020, in the context of the continuous development and cooperation based on technological partnership, the parent company incorporated the company HOTELIGA International sp. Z o.o based in Poland to the group. The parent company acquired 51% of the shares of the company AILLERON S.A. listed in Poland's Stock Exchange.

HOTELIGA International is a specialized IT company which has successfully created and developed IT products in the web environment. It is active in the market of hospitality software, pms, paperless hotel systems and travel technology that is a demanding market and rapidly evolving on an international level. The company's clientele includes a significant number of small and medium sized accommodations in Greece and twenty (20) more countries abroad, with emphasis on the European market. HOTELIGA International sp. Zo.o" was included im the consolidated financial statements of 31/12/2020 for the first time using the full consolidation method.

Finally, in October 2020, consistently following the path of continuous development and strengthening the model of development, the parent company proceeded to the acquisition of 80% of **DATA COMMUNICATION S.A.**, (DATA COMMUNICATION SOCIETE ANONYME BUSINESS COMPUTERIZATION), a company that is active in the provision of integrated IT solutions to businesses and organizations in the private and public sector, as well as in accounting offices. “DATA COMMUNICATION S.A.” was included im the consolidated financial statements of 31/12/2020 for the first time using the full consolidation method.

B. Other Companies Consolidated using the Equity Method

The parent company participated by a percentage of 35.156% in the company SUPERVISOR S.A., which is active in the marketing of computers and software, based on the decision of the Extraordinary General Meeting of 27/08/2014 of the Shareholders of the latter for an increase of its Share Capital, which was fully covered by EPSILON NET SA.

It is noted that, from 1st January 2017, the financial and business policy of SUPERVISOR S.A. was estimated to be controlled by EPSILON NET S.A. and for this reason during fiscal years 2017 and 2018 the consolidation was carried out with the method of full consolidation. The Management of the Company in the fiscal year 2019, reviewed the above assessment considering that the audit criteria are not met and included the company SUPERVISOR S.A. in the 2019 consolidated financial statements with the equity method.

As a result of the above estimation and the strategic direction of the remaining shareholders. in February 2021 the parent company withdrew from its participation by transferring its entire percentage (35.16% to the share capital of SUPERVISOR SA).

Pursuant to the Private Share Transfer Agreement dated 20.12.2019 between its main shareholder “HIT HOSPITALITY INTEGRATED TECHNOLOGIES S.A.”, “HIT EXELIXIS INTEGRATED HOTEL - TOURIST APPLICATIONS AND INTERNET CONTENT S.A.” and the parent company, eighty-six thousand twenty (86,020) registered shares were sold, with a nominal value of two euros and ninety three cents (€ 2.93) each, representing thirty-four percent (34%) of the share capital and voting rights of “HIT HOSPITALITY INTEGRATED TECHNOLOGIES SA”, for a price of € 11.6252034 for each sold share of nominal value of € 2.93 and for an amount of one million Euros (€ 1,000,000.00) in total.

6. Tangible Assets

GROUP

Amounts in €	Buildings - Technical Works in Third Party Properties	Right-of-Use Buildings - Technical Works in Third Party Properties	Vehicles	Right-of-Use Vehicles	Furniture & Other Equipment	Machinery	Total
Acquisition Cost							
1st January 2020	**2,080,293.22**	**1,798,508.43**	**229,818.18**	**300,947.38**	**2,454,449.55**		**6,864,016.76**
Additions due to Acquisition of Subsidiaries	2,405,189.26	1,046,956.59	79,710.17	101,855.08	1,111,829.66	923.96	**4,746,464.72**
Additions Period 01.01-31.12.2020	141,973.50	10,043.71	-	134,223.76	67,439.94		**353,680.91**
Reductions Period 01.01 - 31.12.2020	-	(46,004.67)	(14,670.00)	(431.09)			**(61,105.76)**
31st December 2020	**4,627,455.98**	**2,809,504.06**	**294,858.35**	**536,595.13**	**3,633,719.15**	**923.96**	**11,903,056.63**
Accumulated Depreciation							
1st January 2020	**1,374,673.66**	**265,301.00**	**181,289.70**	**88,383.29**	**2,072,771.60**	**-**	**3,982,419.25**
Depreciations due to Acquisition of Subsidiaries	1,473,430.11	64,428.10	75,820.79	18,238.22	990,133.11	923.67	**2,622,974.00**
Depreciation for the Period 01.01 - 31.12.2020	153,535.18	314,678.19	25,246.21	112,269.34	89,625.21		**695,354.13**
Depreciation impairment for the period 01.01 - 31.12.2020	(20,154.61)	(27,661.95)	(12,457.22)				**(60,273.78)**
31st December 2020	**2,981,484.34**	**616,745.34**	**269,899.48**	**218,890.85**	**3,152,529.92**	**923.67**	**7,240,473.60**
ACCOUNTING BALANCE as at 31st DECEMBER 2020	**1,645,971.64**	**2,192,758.72**	**24,958.87**	**317,704.28**	**481,189.23**	**0.29**	**4,662,583.03**
Acquisition Cost							
1st January 2019	**1,945,902.60**		**241,988.18**		**2,313,239.94**		**4,501,130.72**
Application of IFRS 16	121,998.71	1,676,509.72	-	235,706.90	-		**2,034,215.33**
Additions Period 01.01 - 31.12.2019	12,391.91	121,998.71	-	65,240.48	147,487.36		**347,118.46**
Reductions Period 01.01 - 31.12.2019	-		(12,170.00)		(6,277.75)		**(18,447.75)**
31st December 2019	**2,080,293.22**	**1,798,508.43**	**229,818.18**	**300,947.38**	**2,454,449.55**	**-**	**6,864,016.76**
Accumulated Depreciation							
1st January 2019	**1,254,971.86**		**154,871.75**		**1,996,216.39**	**-**	**3,406,060.00**
Depreciation for the Period 01.01 - 31.12.2019	119,701.80	265,301.00	36,843.59	88,383.29	82,832.77		**593,062.45**
Depreciation impairment for the period 01.01 - 31.12.2019	-		(10,425.64)		(6,277.56)		**(16,703.20)**
31st December 2019	**1,374,673.66**	**265,301.00**	**181,289.70**	**88,383.29**	**2,072,771.60**	**-**	**3,982,419.25**
ACCOUNTING BALANCE as at 31st DECEMBER 2019	**705,619.56**	**1,533,207.43**	**48,528.48**	**212,564.09**	**381,677.95**	**-**	**2,881,597.51**

COMPANY

Amounts in €	Buildings - Technical Works in Third Party Properties	Right-of-Use Buildings - Technical Works in Third Party Properties	Vehicles	Right-of-Use Vehicles	Furniture & Other Equipment	Total
Acquisition Cost						
1st January 2020	**1,987,986.20**	**814,266.39**	**175,158.18**	**208,216.82**	**2,396,489.08**	**5,582,116.67**
Additions Period 01.01 - 31.12.2020	141,973.50			88,878.23	58,334.83	**289,186.56**
Reductions Period 01.01 - 31.12.2020		(17,028.16)	(12,170.00)	(431.09)		**(29,629.25)**
31st December 2020	**2,129,959.70**	**797,238.23**	**162,988.18**	**296,663.96**	**2,454,823.91**	**5,841,673.98**
Accumulated Depreciation						
1st January 2020	**1,355,312.01**	**145,383.19**	**155,099.12**	**59,541.19**	**2,044,344.87**	**3,759,680.38**
Depreciation for the Period 01.01 - 31.12.2020	123,324.24	154,857.45	15,627.14	70,546.30	73,112.82	**437,467.95**
Depreciation impairment for the period 01.01 - 31.12.2020	-		(10,957.22)			**(10,957.22)**
31st December 2020	**1,478,636.25**	**300,240.64**	**159,769.04**	**130,087.49**	**2,117,457.69**	**4,186,191.11**
ACCOUNTING BALANCE as at 31st DECEMBER 2020	**651,323.45**	**496,997.59**	**3,219.14**	**166,576.47**	**337,366.22**	**1,655,482.87**
Acquisition Cost						
1st January 2019	**1,862,645.34**		**187,328.18**		**2,273,231.29**	**4,323,204.81**
Application of IFRS 16	57,344.28	756,922.11	-	159,697.72	-	**973,964.11**
Additions Period 01.01 - 31.12.2019	67,996.58	57,344.28	-	48,519.10	129,535.54	**303,395.50**
Reductions Period 01.01 - 31.12.2019	-		(12,170.00)		(6,277.75)	**(18,447.75)**
31st December 2019	**1,987,986.20**	**814,266.39**	**175,158.18**	**208,216.82**	**2,396,489.08**	**5,582,116.67**
Accumulated Depreciation						
1st January 2019	**1,245,017.37**		**137,426.77**		**1,974,201.07**	**3,356,645.21**
Depreciation for the Period 01.01 - 31.12.2019	110,294.64	145,383.19	28,097.99	59,541.19	76,421.36	**419,738.37**
Depreciation impairment for the period 01.01 - 31.12.2019	-		(10,425.64)		(6,277.56)	**(16,703.20)**
31st December 2019	**1,355,312.01**	**145,383.19**	**155,099.12**	**59,541.19**	**2,044,344.87**	**3,759,680.38**
ACCOUNTING BALANCE as at 31st DECEMBER 2019	**632,674.19**	**668,883.20**	**20,059.06**	**148,675.63**	**352,144.21**	**1,822,436.29**

7. *Intangible Assets*

GROUP

Amounts in €	Software Development - Complete	Trademarks	Software - Purchase from Third Parties	Software Development - Incomplete	Total
Acquisition Cost					
1st January 2020	**27,297,567.91**	**54,966.70**	**1,332,850.43**	**90,890.86**	**28,776,275.90**
Additions due to acquisition of subsidiaries	1,689,964.60	1,050.00	614,785.84		**2,305,800.44**
Additions Period 01.01 - 31.12.2020	303,828.19	1,538.00	8,956.80	201,660.56	**515,983.55**
Transfers Period 01.01 - 31.12.2020	292,551.42			(292,551.42)	-
31st December 2020	**29,583,912.12**	**57,554.70**	**1,956,593.07**	**-**	**31,598,059.89**
Accumulated Depreciation					
1st January 2020	**22,646,318.40**	**45,756.58**	**1,246,981.42**	**-**	**23,939,056.40**
Depreciations due to Acquisition of subsidiaries	47,988.70	1,049.99	573,808.50		**622,847.19**
Depreciation Period 01.01 - 31.12.2020	742,344.95	1,459.65	63,915.25	-	**807,719.85**
31st December 2020	**23,436,652.05**	**48,266.22**	**1,884,705.17**	**-**	**25,369,623.44**
ACCOUNTING BALANCE as at 31st DECEMBER 2020	6,147,260.07	9,288.48	71,887.90	-	6,228,436.45

Amounts in €	Software Development - Complete	Trademarks	Software - Purchase from Third Parties	Software Development - Incomplete	Total
Acquisition Cost					
1st January 2019	**27,177,567.91**	**53,846.70**	**1,332,850.43**	**-**	**28,564,265.04**
Additions Period 01.01 - 31.12.2019	-	1,120.00	-	210,890.86	**212,010.86**
Transfers Period 01.01 - 31.12.2019	120,000.00	-	-	(120,000.00)	-
31st December 2019	**27,297,567.91**	**54,966.70**	**1,332,850.43**	**90,890.86**	**28,776,275.90**
Accumulated Depreciation					
1st January 2019	**21,797,217.84**	**44,430.49**	**1,179,924.05**	**-**	**23,021,572.38**
Depreciation Period 01.01 - 31.12.2019	849,100.56	1,326.09	67,057.37	-	**917,484.02**
31st December 2019	**22,646,318.40**	**45,756.58**	**1,246,981.42**	**-**	**23,939,056.40**
ACCOUNTING BALANCE as at 31st DECEMBER 2019	4,651,249.51	9,210.12	85,869.01	90,890.86	4,837,219.50

COMPANY

Amounts in €	Software Development - Complete	Trademarks	Software - Purchase from Third Parties	Software Development - Incomplete	Total
Acquisition Cost					
1st January 2020	**27,268,532.37**	**53,496.70**	**1,031,724.77**	**90,890.86**	**28,444,644.70**
Additions Period 01.01 - 31.12.2020	3,828.19	1,538.00	8,956.80	201,660.56	**215,983.55**
Transfers Period 01.01 - 31.12.2020	292,551.42	-	-	(292,551.42)	**-**
31st December 2020	**27,564,911.98**	**55,034.70**	**1,040,681.57**	**-**	**28,660,628.25**
Accumulated Depreciation					
1st January 2020	**22,640,252.34**	**45,651.57**	**1,031,306.03**	**-**	**23,717,209.94**
Depreciation Period 01.01 - 31.12.2020	706,275.32	1,312.65	1,283.25	-	**708,871.22**
31st December 2020	**23,346,527.66**	**46,964.22**	**1,032,589.28**	**-**	**24,426,081.16**
ACCOUNTING BALANCE as at 31st DECEMBER 2020	**4,218,384.32**	**8,070.48**	**8,092.29**	**-**	**4,234,547.09**

Acquisition Cost					
1st January 2019	**27,148,532.37**	**53,166.70**	**1,031,724.77**	**-**	**28,233,423.84**
Additions Period 01.01 - 31.12.2019	-	330.00	-	210,890.86	**211,220.86**
Transfers Period 01.01 - 31.12.2019	120,000.00	-	-	(120,000.00)	**-**
31st December 2019	**27,268,532.37**	**53,496.70**	**1,031,724.77**	**90,890.86**	**28,444,644.70**
Accumulated Depreciation					
1st January 2019	**21,794,055.33**	**44,416.32**	**1,024,473.79**	**-**	**22,862,945.44**
Depreciation Period 01.01 - 31.12.2019	846,197.01	1,235.25	6,832.24	-	**854,264.50**
31st December 2019	**22,640,252.34**	**45,651.57**	**1,031,306.03**	**-**	**23,717,209.94**
ACCOUNTING BALANCE as at 31st DECEMBER 2019	**4,628,280.03**	**7,845.13**	**418.74**	**90,890.86**	**4,727,434.76**

8. Goodwill

The balance of the "Goodwill" account refers to the difference between the total acquisition price and the fair value (corresponding to the acquisition) of the businesses acquired by the Company, during the fiscal year 2020. The resulting goodwill per acquired business is as follows:

	GROUP		COMPANY	
Amounts in Euro €	31.12.2020	31.12.2019	31.12.2020	31.12.2019
HOTELIGA INTERNATIONAL Sp. Z. O. O.	79,274.94	-	-	-
DATA COMMUNICATION S.A.	4,033,458.34	-	-	-
	4,112,733.28	**-**	**-**	**-**

On 26th October 2020, the Company acquired 80% of the issued share capital of DATA COMMUNICATION S.A., based in Greece, which is active in the field of software and IT products development, for a price of € 6,300,000.00.

On 21st July 2020, the Company acquired 51% of the issued share capital of HOTELIGA INTERNATIONAL Sp. Z.o.o, based in Poland, which is active in the field of software and IT products development, for a price of € 150,000.00.

The acquisition goodwill of the above companies was calculated based on the fair value of the net assets of the acquired companies at the date of their acquisition. Due to the recent acquisition and the absence of negative indications, no impairment test was performed on the resulting goodwill at the reporting date.

The acquisition date, the redemption rate, the assets' fair value, the acquisition price and the resulting goodwill per acquired business are as follows:

31st December 2020

					GROUP	COMPANY
Amounts in Euro €	Date of calculation of goodwill	% Acquisition rate	Fair value of assets	Acquisition price	Goodwill	Goodwill
HOTELIGA INTERNATIONAL Sp. Z. O. O.	21-07-20	51%	70,725.06	150,000.00	79,274.94	-
DATA COMMUNICATION S.A.	26-10-20	80%	2,266,541.66	6,300,000.00	4,033,458.34	-
			2,337,266.72	**6,450,000.00**	**4,112,733.28**	**-**

The fair value, at the acquisition date, of each asset category and liability, per acquired business, is analyzed as follows:

	HOTELIGA INTERNATIONAL Sp. Z.o.o			DATA COMMUNICATION SA		
Acquisition price of acquired companies			**150,000.00**			**6,300,000.00**
Less:						
Net position of acquired companies:						
Assets						
Tangible and intangible assets	-			3,806,443.97		
Other long-term receivables	-			111,630.69		
Stock	-			10,359.12		
Customers and other Liabilities	25,636.41			1,201,581.16		
Cash available	201,848.75	**227,485.16**		887,180.50	**6,017,195.44**	
Less: Liabilities						
Long term loans	-			1,593,013.75		
Provisions of employees benefits	-			518,441.35		
Other long-term liabilities	-			6,920.22		
Taxes and insurance organizations	-			110,479.19		
Suppliers - Other liabilities	88,808.57	**88,808.57**		955,163.85	**3,184,018.36**	
Net asset value		**138,676.59**			**2,833,177.08**	
Percentage (%) acquired		51%			80%	
Net assets acquired			70,725.06			2,266,541.66
Goodwill			**79,274.94**			**4,033,458.34**
Cash outflow / (inflow) of acquisition:						
Acquisition price in cash			75,000.00			6,300,000.00
Cash and cash equivalents of acquired company			201,848.75			887,180.50
Net cash (inflow) / outflow of acquisition:			**(126,848.75)**			**5,412,819.50**

The initially estimated goodwill upon delivery of the assets and liabilities was adjusted after determining the fair values of the assets and liabilities. The financial statements of the above companies were incorporated in the consolidated financial statements of the Group using the full consolidation method for the first time on 31 December 2020.

9. *Investments in Subsidiary Companies*

Investments of the Company in the Group's subsidiaries are presented in the table below:

Amounts in €	EPSILON PYLON SA	EPSILON HR SA	EPSILON SUPPORT CENTER SA	DATA COMMUNICATION SA	HOTELIGA INTERNATIONAL SP ZOO	EPSILON EUROPE PLC	TOTAL
1st January 2019	**33,630.00**	**8,400.00**				**2,898,211.02**	**2,940,241.02**
Additions Period 01.01 - 31.12.2019	-	350.00	102,000.00			-	**102,350.00**
Reductions Period 01.01 - 31.12.2019	-	-	-			-	**-**
ACCOUNTING BALANCE as at 31st DECEMBER 2019	**33,630.00**	**8,750.00**	**102,000.00**	**-**	**-**	**2,898,211.02**	**3,042,591.02**
1st January 2020	**33,630.00**	**8,750.00**	**102,000.00**			**2,898,211.02**	**3,042,591.02**
Additions period 01.01 - 31.12.2020	-	9,432.00		6,300,000.00	150,000.00	-	**6,459,432.00**
Reductions Period 01.01 - 31.12.2020	-	-	-			-	**-**
ACCOUNTING BALANCE as at 31st DECEMBER 2020	**33,630.00**	**18,182.00**	**102,000.00**	**6,300,000.00**	**150,000.00**	**2,898,211.02**	**9,502,023.02**

The additions to this item concern:

A) Increase of the percentage of participation of the parent company in the share capital of **EPSILON HR S.A.**, for the amount of **€ 9,432.00**, which corresponds to an **additional percentage of 30%**, on June 18th, 2020.

B) Acquisition of shares on 26th October 2020, corresponding to **80%** of the share capital of **DATA COMMUNICATION S.A.**, (a company that is active in the provision of integrated IT solutions to companies and organizations in the private and public sector, as well as accounting offices) for an amount of **€ 6,300,000.00**.

C) Acquisition of shares on 21st July 2020, corresponding to **51%** of the share capital of **HOTELIGA International sp. Zo. o** based in Poland (a company that is active in the development of solutions in the field of hospitality software, pms, paperless hotel systems and travel technology) for an amount of **€ 150,000.00**.

10. *Investments in Associates*

Investments of the Company in the Group's Associated Companies are presented in the table below:

Amounts in €	SUPERVISOR SA	HIT HOSPITALITY SA	TOTAL
1st January 2019	**179,965.96**	**-**	**179,965.96**
Participation in the profit-loss of associated companies	(34,076.35)	-	(34,076.35)
Additions Period 01.01 - 31.12.2019	-	1,000,000.00	1,000,000.00
Reductions Period 01.01 - 31.12.2019	-	-	-
ACCOUNTING BALANCE as at 31st DECEMBER 2019	**145,889.61**	**1,000,000.00**	**1,145,889.61**
1st January 2020	**145,889.61**	**1,000,000.00**	**1,145,889.61**
Participation in the profit-loss of associated companies	-	92,089.95	92,089.95
Addition from Participation Evaluation	4,580.39	-	4,580.39
Transfer to Non-current Assets held for Sale	(150,470.00)	-	(150,470.00)
Reductions Period 01.01 - 31.12.2020	-	(52,638.48)	(52,638.48)
ACCOUNTING BALANCE as at 31st DECEMBER 2020	**-**	**1,039,451.47**	**1,039,451.47**

The Company participates by 35,156% in the company SUPERVISOR S.A., which is active in computer and software marketing. In the context of the implementation of its strategic planning, the Company announced on 19th February 2021 the sale of this participation for the amount of 150,470.00 euros. Therefore, this holding was reclassified as "Non-current assets held for sale".

According to the Private Share Transfer Agreement dated 20.12.2019 between its main shareholder "HIT HOSPITALITY INTEGRATED TECHNOLOGIES SA", "HIT EXELIXIS INTEGRATED HOTEL - TOURIST APPLICATIONS AND INTERNET CONTENT SA" and "EPSILON NET - INFORMATION TECHNOLOGY, TRAINING AND HIGH-TECH PRODUCTS SOCIETE ANONYME", eighty-six thousand twenty (86,020) registered shares were sold, granted, transferred and delivered to the Company, with a nominal value of two euros and ninety three cents (€ 2.93) each, representing thirty-four percent (34%) of the share capital and voting rights of "HIT HOSPITALITY INTEGRATED TECHNOLOGIES SA", in compliance with the provisions of article 41 of L. 4548.2018, for a price of € 11.6252034 for each sold share of nominal value of € 2.93 and for an amount of one million Euros (€ 1,000,000.00) in total.

11. Equity Instruments

Due to the insignificance of the participation amount of the parent company "EPSILON NET SA" in the company "TECHNOPOLI THESSALONIKI SA", this valuation was determined based on initial acquisition value:

	GROUP		COMPANY	
Amounts in €	2020	2019	2020	2019
TECHNOPOLI THESSALONIKI SA				
1st January 2020	**3,521.30**	**3,521.30**	**3,521.30**	**3,521.30**
Change of Period 01.01 - 31.12.2020	-	-	-	-
ACCOUNTING BALANCE as at 31st DECEMBER 2020	**3,521.30**	**3,521.30**	**3,521.30**	**3,521.30**

EPSILON NET participated in the establishment of Technopolis Thessaloniki SA, which is the creator of the first High Technology Enterprise Park in Greece. It is estimated that significant synergies and investment opportunities will be achieved in the future through this participation, due to the concentration of notable companies in the IT sector.

12. Deferred Tax (Receivables / Liabilities)

The tax expense is calculated as follows:

Amounts in €	GROUP 2020	GROUP 2019	COMPANY 2020	COMPANY 2019
Net Profit before Taxes	**3,303,672.23**	**1,368,062.64**	**1,859,069.59**	**1,019,389.01**
Income Tax Calculated at the statutory Tax Rate	793,477.14	331,927.96	446,176.70	244,653.36
Tax Impact of Non-Tax Deductible Expenses	(775,602.51)	(370,696.35)	(468,974.89)	(269,466.14)
Deferred Tax Change due to Change in Tax Rate	-	(1,451.99)	-	(4,489.21)
Entrepreneurship Duties	6,400.00	-	2,200.00	-
Total Tax Expense / (Income)	**24,274.63**	**(40,220.38)**	**(20,598.19)**	**(29,301.99)**
The amounts of Income Tax that charge / benefit the Fiscal year are as follows				
Deferred Tax Expense / (Income) (see next page analysis)	(138,023.18)	(96,826.98)	(84,537.37)	(63,074.82)
Deferred Tax Change due to Change in Tax Rate	-	(1,451.99)	-	(4,489.21)
Current Tax	162,297.81	58,058.59	63,939.18	38,262.04
Total Tax Expense / (Income)	**24,274.63**	**(40,220.38)**	**(20,598.19)**	**(29,301.99)**

Article 22 of Law 4646/12.12.2019 "Tax reform with a development dimension for Greece of tomorrow", reduces the tax rate of profits from business activity acquired by legal persons and legal entities, to 24% for income of the tax year 2019 onwards.

For the corresponding period in Cyprus the income tax rate is 12.5%. Income tax arises after tax reform of non-deductible expenses under applicable tax legislation.

Article 22 of the same law exempts from income tax, the income that results from the goodwill of transferring participation securities to a legal person that is a tax resident of an EU member state, collected by a legal person that is a tax resident of Greece, if the legal person whose securities are transferred meets the conditions set by law. These incomes are not taxed during the distribution or capitalization of these profits. Any valuation losses of participations that have been recognized until 31.12.2019, are deducted from the gross income at the time of their transfer. The provision applies to income earned from 1.7.2020 onwards. Also, for dividends paid from 1.1.2020 onwards, the withholding rate is reduced to 5% from 10%.

Deferred taxes are calculated at the new tax rates, as they will be valid in the year in which the asset or liability is expected to be settled.

The transaction of deferred taxes is shown in detail in the following table:

GROUP

Amounts in €	Intangible Assets	Leases	Other Tangible Assets	Fixed Personnel Benefits Obligations	Customers' Provision	Advance Payment to be returned	Total
Deferred Tax Receivables							
1st January 2020	**-**	**10,132.18**	**-**	**265,888.91**	**69,268.65**	**-**	**345,289.74**
Debit/Credit in Equity at the acquisition of subsidiaries	-	(6,031.83)	-	2,522.59	2,289.78	-	**(1,219.46)**
Debit / Credit in Equity	-	-	-	60,777.07	-	-	**60,777.07**
Debit / Credit in Income Statement	-	6,006.29	-	41,360.38	68,533.04	209.35	**116,109.06**
31st December 2020	**-**	**10,106.64**	**-**	**370,548.95**	**140,091.47**	**209.35**	**520,956.41**
Deferred Tax Liabilities							
1st January 2020	**(265,595.15)**	**-**	**(482.89)**	**-**	**-**	**-**	**(266,078.04)**
Debit / Credit in Income Statement	21,587.21	-	326.91	-	-	-	**21,914.12**
31st December 2020	**(244,007.94)**	**-**	**(155.98)**	**-**	**-**	**-**	**(244,163.92)**
TOTAL DEFERRED TAX - RECEIVABLE / (LIABILITY) as at 31st DECEMBER 2020	**(244,007.94)**	**10,106.64**	**(155.98)**	**370,548.95**	**140,091.47**	**209.35**	**276,792.49**

Deferred Tax Receivables							
1st January 2019	**-**	**-**	**-**	**234,618.66**	**29,580.76**	**-**	**264,199.42**
Debit / Credit in Equity	-	-	-	17,232.64	-	-	**17,232.64**
Debit / Credit in Income Statement	-	10,132.18	-	14,037.61	39,687.89	-	**63,857.68**
31st December 2019	**-**	**10,132.18**	**-**	**265,888.91**	**69,268.65**	**-**	**345,289.74**
Deferred Tax Liabilities							
1st January 2019	**(299,445.26)**	**-**	**(1,054.07)**	**-**	**-**	**-**	**(300,499.33)**
Debit / Credit in Income Statement	33,850.11	-	571.18	-	-	-	**34,421.29**
31st December 2019	**(265,595.15)**	**-**	**(482.89)**	**-**	**-**	**-**	**(266,078.04)**
TOTAL DEFERRED TAX - RECEIVABLE / (LIABILITY) as at 31st DECEMBER 2019	**(265,595.15)**	**10,132.18**	**(482.89)**	**265,888.91**	**69,268.65**	**-**	**79,211.70**

COMPANY

Amounts in €	Intangible Assets	Leases	Other Tangible Assets	Fixed Personnel Benefits Obligations	Customers' Provision	Advance Payment to be returned	Other	Total
Deferred Tax Receivables								
1st January 2020	**-**	**-**	**-**	**197,349.91**	**43,769.29**	**-**	**-**	**241,119.20**
Debit / Credit in Equity	-	-	-	45,884.40	-	-	-	**45,884.40**
Debit / Credit in Income Statement	-	-	-	24,213.03	39,135.36	125.54	-	**63,473.93**
31st December 2020	**-**	**-**	**-**	**267,447.34**	**82,904.65**	**125.54**	**-**	**350,477.53**
Deferred Tax Liabilities								
1st January 2020	**(265,595.14)**	**(3,203.05)**	**(482.89)**		**-**		**-**	**(269,281.08)**
Debit / Credit in Income Statement	21,587.21	(850.68)	326.91	-	-	-	-	**21,063.44**
31st December 2020	**(244,007.93)**	**(4,053.73)**	**(155.98)**	**-**	**-**	**-**	**-**	**(248,217.64)**
TOTAL DEFERRED TAX - RECEIVABLE / (LIABILITY) as at 31st DECEMBER 2020	**(244,007.93)**	**(4,053.73)**	**(155.98)**	**267,447.34**	**82,904.65**	**125.54**	**-**	**102,259.89**

Deferred Tax Receivables								
1st January 2019	**-**	**-**	**-**	**171,396.27**	**16,872.63**	**-**	**-**	**188,268.90**
Debit / Credit in Income Statement	-	-	-	16,504.51	-			**16,504.51**
Debit / Credit in Equity				9,449.13	26,896.66			**36,345.79**
31st December 2019	**-**	**-**	**-**	**197,349.91**	**43,769.29**	**-**	**-**	**241,119.20**
Deferred Tax Liabilities								
1st January 2019	**(299,445.25)**	**-**	**(1,054.07)**	**-**	**-**		**(813.12)**	**(301,312.44)**
Debit / Credit in Income Statement	33,850.11	(3,203.05)	571.18	-	-		813.12	**32,031.36**
31st December 2019	**(265,595.14)**	**(3,203.05)**	**(482.89)**	**-**	**-**	**-**	**-**	**(269,281.08)**
TOTAL DEFERRED TAX - RECEIVABLE / (LIABILITY) as at 31st DECEMBER 2019	**(265,595.14)**	**(3,203.05)**	**(482.89)**	**197,349.91**	**43,769.29**	**-**	**-**	**(28,161.88)**

According to tax law, certain incomes are not taxed at the time of their realization, but at the time of their distribution to the shareholders. The accounting principle of the Group and the Company is to recognize a deferred tax liability for these incomes at the time of their distribution, regardless of the time of their realization.
Deferred tax assets and liabilities are offset when there is an applicable legal right to offset current tax liabilities against current tax liabilities and when deferred income taxes relate to the same tax authority.
Deferred tax assets and liabilities are offset in the Statement of Financial Position as at 31 December 2020.
Deferred tax assets are carried forward to the extent that future taxable profits are probable.
With article 48 of L.4172 / 2013, the intragroup dividends paid by both domestic and foreign companies that are tax residents of an EU Member State and belong to the same Group are exempt from both income tax and withholding tax, provided the recipient of the dividend holds a stake of at least 10% in the share capital of the legal entity it distributes and the minimum stake is held for at least 2 years. The above is valid from 1.1.2014.

However, it should be clarified that for the calculation of the current income tax for the year 2019 as well as the current year 2020, the Company according to article 22a of Law 4172/2013, increased the "Scientific and Technological Research Expenses" out of balance. This item is expected to be approved by the competent committee of the General Secretary of Research & Innovation.

The income tax statement is submitted on an annual basis but the declared profits or losses remain temporary until the tax authorities check the taxpayer's books and records and the final audit report is issued.

According to the provisions of article 84 of L.2238 / 1994, of PD 196/1992, article 57 of L.2859/2000, article 9 of L.2523/1997 (for years up to 31/12/2013) and article 36 of L.4174 / 2013 as well as the Council of State decision 1738/2017 and a number of circulars, among them POL. 1154/2017 and Prot.no. 1752/2017 and DI.PA. E.E. 1189961 EX2017 (for the years after 1/1/2014), it appears that the right of the State to impose tax for the years up to 2014 for the Company and the Greek subsidiaries, has expired until 31.12.2020, without prejudice to special or exceptional provisions which may provide for a longer expiry period and under the conditions laid down therein.
Based on the above, the tax liabilities of the Company as well as the Greek subsidiaries included in the consolidation have been audited or completed or expired until the year 2014.
Based on article 82 par.5 of law 2238/94, starting from the year 2011, and then article 65 A of Law 4174/2013, Certified Public Accountants and the auditing firms that carry out statutory audits in public limited companies are obliged to issue a Tax Compliance Report regarding the application of tax provisions to tax objects. This Report is submitted to the audited company, and electronically to the Ministry of Finance.
The following table shows the unaudited fiscal years of the Greek companies included in the consolidation.

Name	Audit or completion or expiry until fiscal year	Unaudited fiscal years having received tax certificate
EPSILON NET - INFORMATION TECHNOLOGY, TRAINING AND HIGH-TECH PRODUCTS SOCIETE ANONYME	2014	2015–2020
EPSILON PYLON S.A.	2014	2015–2020
EPSILON HR S.A.	-	2016–2020
EPSILON SUPPORT CENTER S.A.	-	2019-2020
DATA COMMUNICATION S.A.		2014–2020

For the fiscal years 2011-2019, the Company and the Greek subsidiaries included in the consolidation have been audited by their statutory Auditor and received the relevant Tax Compliance Report without reservation.

For the fiscal year 2020, the Company and the Greek subsidiaries included in the consolidation have chosen the above tax audit of the Certified Public Accountants, which is in progress from the relevant Tax Compliance Report, which is expected to be issued after the publication of the 2020 financial statements. It is estimated that no substantial tax burdens will arise.

The subsidiary EPSILON EUROPE PLC (based in Cyprus) has submitted tax returns for the years 2009 - 2019 and has been audited by the tax authorities for the years up to 2011 receiving a relevant certificate (tax assessment) as audited finally. It has also received a tax clearance for its tax obligations 2012-2019.

The subsidiaries EVOLUTIONSNT PLC and EVOLUTIONSNT (UK) LTD (based in UK) have submitted tax returns for the years 2012-2019 and 2014-2019 respectively, and have received tax clearance for their tax liabilities until 31.12 .2019.

The subsidiary HOTELIGA INTERNATIONAL Sp. Z.o.o (based in Poland) has submitted tax returns until the year 2019 and has no tax pending.

The results of the tax audit have become final. Furthermore, although the public authorities retain the right of re-audit for the above non-expired fiscal years, the Group's Management estimates that during the conduct of a possible tax audit, the public authorities do not expect substantial tax liabilities to arise that significantly affect the financial situation, asset structure, profitability and cash flows of the Company and the Group.

13. Lease Receivables

The lease receivables of the Company and the Group are depicted in the table below and concern non-owned real estate leases of the parent company to its subsidiaries:

	GROUP		COMPANY	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Lease receivables	4,570.44	-	632,189.83	693,132.18
Less: Short-term portion	(1,660.09)	-	(97,041.96)	(88,656.47)
Long-term portion	**2,910.35**	**-**	**535,147.87**	**604,475.71**

The future minimum lease receivables and the present value of the net minimum receivables for the Group and the Company as at 31 December 2020 and 2019 are analyzed as follows:

	GROUP		COMPANY	
	31.12.2020		31.12.2019	
	Minimum payments	Present value of payments	Minimum payments	Present value of payments
Up to 1 year	1,794.72	1,660.09	116,014.88	97,041.96
From 2 to 5 years	2,991.20	2,910.35	391,541.97	348,927.32
More than 5 years	-	-	229,361.83	186,220.55
Total minimum lease receivables	**4,785.92**	**4,570.44**	**736,918.68**	**632,189.83**
Less: amounts that constitute financial income	(215.48)	-	(104,728.85)	-
Present value of minimum lease receivables	**4,570.44**	**4,570.44**	**632,189.83**	**632,189.83**

	GROUP		COMPANY	
	31.12.2020		31.12.2019	
	Minimum payments	Present value of payments	Minimum payments	Present value of payments
Up to 1 year	-	-	110,521.56	88,656.47
From 2 to 5 years	-	-	409,432.05	354,724.39
More than 5 years	-	-	261,365.28	249,751.32
Total minimum lease receivables	**-**	**-**	**781,318.89**	**693,132.18**
Less: amounts that constitute financial income	-	-	(88,186.71)	-
Present value of minimum lease receivables	**-**	**-**	**693,132.18**	**693,132.18**

The financial income of lease receivables was recorded in the income statement (Note 35).

14. Other Long-term Receivables

GROUP

Amounts in Euro €	Rent Guarantee	PPC Guarantee	Loan Guarantee	Vehicles Guarantee	Gas Guarantee	Elinoil Guarantee	CORAL S.A. (SHELL) Guarantee	Equipment Lease Guarantee	Total
Acquisition Cost									
January 1 2020	**50,268.34**	**502.00**	**68.00**	**21,163.54**	**68.11**	**1,000.00**	**-**	**103.32**	**73,173.31**
Additions due to Acquisition of subsidiaries	83,578.97	1,733.80	-	12,854.64	-	-	2,000.00	-	**100,167.41**
Additions for the Period 01.01 - 31.12.2020	2,403.14	-	-	8,302.40	-	-	-	-	**10,705.54**
Reductions / Write off of Period 01.01 - 31.12.2020	(1,000.00)	-	-	-	-	-	-	-	**(1,000.00)**
ACCOUNTING BALANCE as at 31st DECEMBER 2020	**135,250.45**	**2,235.80**	**68.00**	**42,320.58**	**68.11**	**1,000.00**	**2,000.00**	**103.32**	**183,046.26**

	Rent Guarantee	PPC Guarantee	Loan Guarantee	Vehicles Guarantee	Gas Guarantee	Elinoil Guarantee	CORAL S.A. (SHELL) Guarantee	Equipment Lease Guarantee	Total
Acquisition Cost									
January 1 2019	**47,477.14**	**223.00**	**68.00**	**19,740.02**	**-**	**1,000.00**	**-**	**103.32**	**68,611.48**
Additions for the Period 01.01 - 31.12.2019	2,791.20	305.00	-	1,423.52	68.11	-	-	-	**4,587.83**
Reductions / Write-off of Period 01.01 - 31.12.2019	-	(26.00)	-	-	-	-	-	-	**(26.00)**
ACCOUNTING BALANCE as at 31st DECEMBER 2019	**50,268.34**	**502.00**	**68.00**	**21,163.54**	**68.11**	**1,000.00**	**-**	**103.32**	**73,173.31**

COMPANY

Amounts in Euro €	Rent Guarantee	PPC Guarantee	Loan Guarantee	Vehicles Guarantee	Equipment Lease Guarantee	Gas Guarantee	Total
Acquisition Cost							
January 1 2020	**46,726.34**	**197.00**	**64.00**	**14,774.82**	**103.32**	**68.11**	**61,933.59**
Additions for the Period 01.01 - 31.12.2020	1,636.74			6,206.80			**7,843.54**
Reductions / Write-off of Period 01.01 - 31.12.2020	(1,000.00)						**(1,000.00)**
ACCOUNTING BALANCE as at 31st DECEMBER 2020	**47,363.08**	**197.00**	**64.00**	**20,981.62**	**103.32**	**68.11**	**68,777.13**

	Rent Guarantee	PPC Guarantee	Loan Guarantee	Vehicles Guarantee	Equipment Lease Guarantee	Gas Guarantee	Total
Acquisition Cost							
January 1 2019	**43,977.14**	**223.00**	**64.00**	**14,117.62**	**103.32**		**58,485.08**
Additions for the Period 01.01 - 31.12.2019	2,749.20			657.20		68.11	**3,474.51**
Reductions / Write-off of Period 01.01 - 31.12.2019		(26.00)					**(26.00)**
ACCOUNTING BALANCE as at 31st DECEMBER 2019	**46,726.34**	**197.00**	**64.00**	**14,774.82**	**103.32**	**68.11**	**61,933.59**

15. Inventories

	GROUP		COMPANY	
Amounts in €	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Raw Materials - Consumables	863.13	-	-	-
Merchandise	41,905.72	20,138.50	32,549.18	16,801.34
Total	42,768.85	20,138.50	32,549.18	16,801.34

The Company and the Group's inventories consist of electronic equipment and books of scientific-economic content. There are no encumbrances on stock.

16. Customers and Other Trade Receivables

	GROUP		COMPANY	
Amounts in €	**31.12.2020**	**31.12.2019**	**31.12.2020**	**31.12.2019**
Customers	8,551,583.07	7,185,912.52	4,588,714.37	4,561,301.49
Notes Receivable	339,545.86	430,019.46	238,846.95	285,490.77
Cheques receivable	2,597,438.53	2,097,035.11	2,408,094.36	3,277,830.38
	11,488,567.46	**9,712,967.09**	**7,235,655.68**	**8,124,622.64**
Less: Impairment Provisions	(1,339,929.42)	(1,044,834.35)	(1,101,651.12)	(938,587.14)
Total	**10,148,638.04**	**8,668,132.74**	**6,134,004.56**	**7,186,035.50**

The movement of impairment provisions for doubtful receivables of the Group and the Company for the years ended 31st December 2020 and 31st December 2019, is analyzed as follows:

	GROUP		COMPANY	
Amounts in €	**31.12.2020**	**31.12.2019**	**31.12.2020**	**31.12.2019**
Balance at the beginning of the year	**1,044,834.35**	**769,538.06**	**938,587.14**	**718,705.58**
Provisions from Acquisition of Subsidiary	9,540.73	-	-	-
Formed provisions for the year	285,554.34	275,296.29	163,063.98	219,881.56
Balance at the end of the year	**1,339,929.42**	**1,044,834.35**	**1,101,651.12**	**938,587.14**

The maturity of trade receivables is set out below:

GROUP

31.12.2020

	Balance 31.12.2020	Updated not impaired Receivables	Overdue from 1 to 90 days	Overdue from 91 to 120 days	Overdue from 121 to 360 days	Overdue over 360 days
Customers receivable	7,586,642.28	5,062,924.55	1,501,051.42	648,105.69	374,560.62	-
Cheques receivable	2,419,158.10	2,272,027.68	117,374.58	29,755.84	-	-
Notes receivable	142,837.66	57,720.49	42,123.65	1,750.00	41,243.52	-
Total	**10,148,638.04**	**7,392,672.72**	**1,660,549.65**	**679,611.53**	**415,804.14**	**-**

31.12.2019

	Balance 31.12.2019	Updated not impaired Receivables	Overdue from 1 to 90 days	Overdue from 91 to 120 days	Overdue from 121 to 360 days	Overdue over 360 days
Customers receivable	6,512,784.57	4,629,092.54	1,246,197.02	407,098.84	230,396.17	-
Cheques receivable	1,921,225.96	1,898,281.96	22,944.00	-	-	-
Notes receivable	234,122.21	200,005.40	26,116.81	-	8,000.00	-
Total	**8,668,132.74**	**6,727,379.90**	**1,295,257.83**	**407,098.84**	**238,396.17**	**-**

COMPANY

31.12.2020

	Balance 31.12.2020	Updated not impaired Receivables	Overdue from 1 to 90 days	Overdue from 91 to 120 days	Overdue from 121 to 360 days	Overdue over 360 days
Customers receivable	3,853,916.23	2,257,253.16	888,542.31	549,557.38	158,563.38	-
Cheques receivable	2,237,297.21	2,229,513.53	7,783.68	-	-	-
Notes receivable	42,791.12	10,341.42	10,556.18	-	21,893.52	-
Total	**6,134,004.56**	**4,497,108.11**	**906,882.17**	**549,557.38**	**180,456.90**	**-**

31.12.2019

	Balance 31.12.2019	Updated not impaired Receivables	Overdue from 1 to 90 days	Overdue from 91 to 120 days	Overdue from 121 to 360 days	Overdue over 360 days
Customers receivable	3,994,420.75	2,729,163.33	777,446.46	396,759.25	91,051.71	-
Cheques receivable	3,102,021.23	3,079,077.23	22,944.00	-	-	-
Notes receivable	89,593.52	68,293.52	15,100.00	-	6,200.00	-
Total	**7,186,035.50**	**5,876,534.08**	**815,490.46**	**396,759.25**	**97,251.71**	**-**

The fair values of trade and other receivables are not presented separately as, due to their short-term duration, Management considers that the book values recognized in the balance sheet are a reasonable approximation of the fair values.

As of 1st January 2018, the Group and the Company apply the simplified approach of IFRS 9 and calculate the expected credit losses throughout the life of their receivables. At each balance sheet date, impairment of receivables is carried out using a table based on which the expected credit losses are calculated.

The receivables of the Group and the Company on 31.12.2020, which remain uncollected for more than one year, are covered 100% by relevant impairment provisions.

17. Trade Portfolio Securities

	GROUP		COMPANY	
Amounts in	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Financial assets at fair value through profit or loss account	308,513.62	268,922.00	-	-

	GROUP		COMPANY	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Balance at the beginning of fiscal year	**268,922.00**	**265,507.00**	**-**	**-**
Additions from Acquisition of Subsidiary	38,956.62	-	-	-
Exchange differences	-	-	-	-
Purchases	-	-	-	-
Sales	-	-	-	-
Valuation at fair value	635.00	3,415.00	-	-
Impairments	-	-	-	-
Balance at the end of fiscal year	-	-	**-**	**-**
	308,513.62	**268,922.00**		

Trade portfolio securities relate to Financial Data at Fair Value through profit/loss account. The Group's portfolio consists of international bonds of large foreign companies, which are listed on international stock exchanges, ETFs traded on regulated stock exchanges and mutual funds that are also traded on regulated stock markets.

During the fiscal year 2020, there were no indications of impairment formation for the trade portfolio securities. The above securities are categorized at the following levels of fair value:

GROUP

	31st December 2020			
	Level 1	**Level 2**	**Level 3**	**Total**
Trade portfolio securities	308,513.62	-	-	**308,513.62**

	31st December 2019			
	Level 1	**Level 2**	**Level 3**	**Total**
Trade portfolio securities	268,922.00	-	-	265,507.00

COMPANY

	31st December 2020			
	Level 1	**Level 2**	**Level 3**	**Total**
Trade portfolio securities	-	-	-	-

	31st December 2019			
	Level 1	**Level 2**	**Level 3**	**Total**
Trade portfolio securities	-	-	-	-

On 31st December 2020, the valuation profit of trade portfolio securities, amounting to € 635.00 for the Group (profit € 3,415.00 for the Group on 31st December 2019), were recognized in the Income Statement.

18. Other Receivables

	ΟΜΙΛΟΣ				ΕΤΑΙΡΕΙΑ			
Amounts in Euro €	**31.12.2020**		**31.12.2019**		**31.12.2020**		**31.12.2019**	
Long-Term Receivables Receivable for the Next Fiscal Year		291,902.01		187,690.10		211,809.96		187,690.10
Short-term receivables from other participating companies		902,500.00				902,500.00		
Miscellaneous Debtors - Staff Advance Payments	-		-		-		-	
- Income Tax Advance	175,236.37		47,329.22		58,273.66		29,758.06	
- Withholding Tax on Interest	-		3,411.76		-		3,472.82	
- Other Withholding Income Taxes	3,633.59		779.17		-		779.17	
- Greek State-Other Receivables	11,430.30		-		11,430.30		-	
- Credit Cards Receivable	29,847.49		26,840.85		28,658.91		23,179.37	
- Advances to Suppliers	259,771.13		152,618.20		128,107.08		118,216.27	
- Advances to Other Beneficiaries of Remuneration	15,625.46		22,038.97		4,305.12		11,528.92	
- Other current liabilities	-		223.90		-		-	
- value-added tax	20,873.96		7,349.06		-		-	
- Other Debtors	5,178.56	521,596.86	-	260,591.13	-	230,775.07	-	186,934.61
Advance Payment & Credit Management Accounts - Other Partners Third Parties	39,958.17		5,603.77		8,774.60		4,703.48	
- Courier	4,433.11		-		4,433.11		-	
- Other Accounts	-	44,391.28	-	5,603.77	-	13,207.71	-	4,703.48
Transitional Asset Accounts - Next Year Expenses	141,893.55		79,588.76		48,173.82		74,437.70	
- Accrued Income of fiscal year	1,549.00	143,442.55	1,554.00	81,142.76	-	48,173.82	-	74,437.70
Total		**1,903,832.70**		**535,027.76**		**1,406,466.56**		**453,765.89**

19. Cash and Cash Equivalents

	GROUP		COMPANY	
Amounts in €	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Cash - Headquarter	15,303.43	7,163.52	757.68	3,601.17
Cash - Branch	652.70	2,459.80	652.70	2,459.80
Deposits in Bank accounts	20,772,919.26	8,584,324.14	13,842,620.84	5,314,097.46
Total	**20,788,875.39**	**8,593,947.46**	**13,844,031.22**	**5,320,158.43**

Short-term bank deposits consist of demand or term deposits in Greece and abroad. Actual interest rates are set according to floating interest rates and are traded on a case-by-case basis.

Cash and cash equivalents of the Company and the Group are broken down into the following currencies as follows:

	GROUP		COMPANY	
Amounts in €	**31.12.2020**	**31.12.2019**	**31.12.2020**	**31.12.2019**
EURO	20,689,865.61	8,593,957.37	13,844,031.22	5,320,158.43
USD	67,288.36	-	-	-
PLN	31,735.47	-	-	-
GBP	-14.05	-9.91	-	-
Total	**20,788,875.39**	**8,593,947.46**	**13,844,031.22**	**5,320,158.43**

The analysis of short-term bank deposits based on the creditworthiness of banking institutions is as follows:

	GROUP		COMPANY	
Amounts in €	**31.12.2020**	**31.12.2019**	**31.12.2020**	**31.12.2019**
A	300,030.42	156,303.52	-	-
BBB	3,219,275.67	3,208,857.34	426,312.50	427,002.20
B+	-	156.53	-	-
B	11,815,613.79	4,594,011.87	8,695,458.85	4,276,335.40
B-	5,453,955.51	634,618.20	4,722,259.87	616,820.83
Total	**20,788,875.39**	**8,593,947.46**	**13,844,031.22**	**5,320,158.43**

20. Share Capital

	GROUP		COMPANY	
Amounts in €	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Share Capital consisting of				
13,400,000 Common Nominal Shares of thirty cents (€ 0.30) each	4,020,000.00	3,352,632.00	4,020,000.00	3,352,632.00

On 10th July 2020, the Public Bidding and the sale of 2,224,560 new common registered shares of the Company were completed.

The Bidding price of the New Shares (hereinafter the "Bidding Price") was set at € 2.40 per Share for the total Public Bidding (Special and Private Investors).

The total funds raised from the Public Bidding, before the deduction of commissions and expenses, amount to Euro € 5,338,944 (€ 2.40 x 2,224,560). More specifically, 866,940 new common registered shares (or 38.97% of the total Public Bidding) were distributed to Private Investors and 1,357,620 new common registered shares (or 61.03% of the total Public Bidding) were distributed to Special Investors.

The total demand from the applications of the Special Investors submitted during the Public Bidding, at the Bidding Price, amounted to 2,589,132 New Shares, exceeding the ones offered in this category, ie 1,357,620 new common registered shares by approximately 1.91 times. Applications were submitted by 23 Special Investors in total.

The total demand from the applications of 368 Private Investors, submitted during the Public Bidding, amounted to 963,267 New Shares.

Therefore, the total demand from the applications of Special Investors and Private Investors submitted during the Public Bidding amounted to 3,552,399 New Shares, exceeding the available 2,224,560 New Shares, by approximately 1.60 times.

Then, on Tuesday, 14.07.2020, the following actions were performed:

- Release of investors' funds and payment for the distributed Shares by the Special and Private Investors
- Certification of the payment of the raised funds by the Issuer
- Delivery of Shares to investors through registration in their Shares in the Intangible Securities System
- Publication of an announcement for the commencement of trading

Furthermore, on Wednesday 15.07.2020, the process of listing the Company's shares in the Regulated Market of the Athens Stock Exchange was completed through the following actions:

- Deletion of the Shares from the Alternative Market of the ATHEX.
- Commencement of trading of the Company's Shares in the Regulated Market of the ATHEX.

Therefore, the paid-up share Capital of the Company after the decision of the Extraordinary General Meeting of 15.11.2019 and the above listing of the Company's shares on the Regulated Market of the Athens Stock Exchange, as at 31st December 2020, amounts to four million twenty thousand euros (€ 4,020,000.00), divided into thirteen million four hundred thousand (13,400,000) common registered shares, with a nominal value of thirty cents (€ 0.30) each.

21. Treasury Shares

The Company at the Shareholders' Ordinary General Meeting of 29th June 2018 decided the purchase of treasury shares in accordance with article 16 of Law 2190/1920 and article 49 of Law 4548/2018 at a percentage of up to 5% of all the Company's existing shares with a maximum purchase price of € 5.00 and a minimum of € 0.50 per share, within twenty-four (24) months from the date of the Ordinary General Meeting's decision. It also authorized the Board of Directors to make use of this decision at its discretion and according to market conditions.

Then, in June 2020, EPSILON NET S.A. announced to the investing public, the completion/expiration of the treasury shares purchase program, which had been approved in accordance with the provisions of article 16 of law 2190/1920, by the Ordinary General Meeting of the Company's Shareholders of 29th June 2018. During the above program (i.e. from 29/06/2018 to 29/06/2020) the Company acquired 24,949 treasury common registered shares representing 0.22% of its share capital with an average purchase price of 1.4567 euros per share and a total value of 36,342.62 Euros.

Finally, at the Ordinary General Meeting of Shareholders of 2nd September 2020 the Company decided to purchase treasury shares from the Company up to 5% of its paid-up share capital (including the shares previously acquired and held by the company), according to article 49 of Law 4548/2018, within (24) months from approval, i.e. until 02/09/2022, with a minimum acquisition limit of 1.00 euro per share and a maximum acquisition limit of 5.00 euros per share and the Company's Board of Directors was authorized to determine, within the above limits, the exact time, number and price of the shares to be acquired.

The Company with its Board of Directors decision dated 24 September 2020 as well as the relevant announcement dated 24 September 2020, proceeded on Friday 25 September 2020 with the sale of all treasury shares, ie 24,949 Own Shares corresponding to 0.186% of the share capital with a sale price of 2.70 euros per share and a total value of € 67,362.30.

The Company no longer holds Treasury Shares.

On 31st December 2020 this item is as follows:

Amounts in €	GROUP 2020	GROUP 2019	COMPANY 2020	COMPANY 2019
1st January 2020	**35,863.68**	**-**	**35,863.68**	**-**
Additions / (Reductions) Period 01.01 - 31.12.2020	(35,863.68)	35,863.68	(35,863.68)	35,863.68
ACCOUNTING BALANCE as at 31st DECEMBER 2020	**-**	**35,863.68**	**-**	**35,863.68**

22. Share Premium

During the 2007 fiscal year and specifically on 21 December 2007 the Extraordinary General Meeting decided to increase the share capital by one hundred and sixty-eight thousand euros (€ 168,000.00), a process which was completed through the payment of cash in 2008. The above increase resulted in a Share Premium amounting to one million five hundred twelve thousand euros (1,512,000.00 €), reduced by sixty thousand euros (60,000.00 €) as admission costs to the Alternative Market (E.N.A.) of the Athens Stock Exchange (ATHEX).

However, the Company's Shareholders General Meetings held on 30 June 2014, 30 June 2016 and 19 December 2018, respectively, at the company's offices in the Municipality of Pylaia, Prefecture of Thessaloniki, Side Road, 87 17th November Str., decided among others:

- Equal increase and decrease of Share Capital, return of cash to the shareholders, amounting to € 502,894.50, ie amount of € 0.09 per share based on the relevant General Meeting decision of 30/6/2014 and
- Equal increase and decrease of Share Capital, return of cash to shareholders, amounting to € 502,894.50, ie amount of € 0.09 per share based on the relevant General Meeting decision of 30/6/2016.
- Equal increase and decrease of Share Capital, return of cash to shareholders, amounting to € 446,201.79, ie amount of € 0.039927 per share based on the relevant decision of the General Meeting of 19/12/2018.

The above decisions were similarly approved by the relevant authority of the General Commercial Register (G.E.MI.) with relevant corresponding decisions.

With the successful increase of the Share Capital in by € 5,338,944.00 from the Public Offer of 2,224,560 shares at the price of € 2.40 per share that took place in July 2020 and the consequent transfer of the Company's shares from the Alternative to Main Market of the ATHEX, there was an increase in **Share Premium amounting to € 4,671,576.00**. An amount of € 57,076.65 has been deducted from this item, which relates to expenses directly related to the issuance of the new shares.

Following the above decisions, the Share Premium is shown in the following table:

Amounts in €	GROUP 2020	GROUP 2019	COMPANY 2020	COMPANY 2019
1st January 2020	**8.61**	**8.61**	**8.61**	**8.61**
Additions Period 01.01 - 31.12.2020	4,671,576.00	-	4,671,576.00	-
(Reductions) Period 01.01 - 31.12.2021	(57,076.65)	-	(57,076.65)	-
ACCOUNTING BALANCE as at 31st DECEMBER 2020	**4,614,507.96**	**8.61**	**4,614,507.96**	**8.61**

23. Reserves

- **Statutory Reserve**

According to the Greek legislation (L. 4548/2018) and is in force, the companies of the Group are obliged, at the date of preparation of the Financial Statements, to form a statutory reserve, equal to at least five percent (5%) of the real (accounting) net profits of each fiscal year.

- **Extraordinary Reserves**

During fiscal year 2005, based on the provisions of the Decision with prot. no. 9452/253/A/3210/7-9-05 of the Special Secretary of Competitiveness for the inclusion of the act 1st cycle - Inclusion in Action 2.5.3. “Business Plans of Existing Medium Processing Companies and Laboratories for the Provision of Quality Services”, in the Operational Program Competitiveness and Entrepreneurship (EPAN) of the 3rd Community Support Framework, the parent company formed an extraordinary reserve from taxed profits, with the commitment to distribute it no longer than five (5) years from its formation, as a condition for its inclusion in Action 2.5.3.

The investment plan of the parent company, according to the decision with Prot. no. 10210/DBE 1074 of the Minister of Development, was included in Action 2.5.3. of EPAN.

Based on the decision of the Company’s Shareholders Extraordinary General Meeting of 9/4/2014, a Reserve was formed from taxed profits of previous years in application of a relevant term of the subsidized investment program ICT4GROWTH amounting to 251,927.89 €.

- **Tax-free Reserves of Special Provisions of Laws**

The development laws, in which the parent company of the Group has been included, are:

- ✓ Law 1828/1989 (article 22), as a company producing products of extremely advanced technology, whose activities are included in article 3 § 1 of Law 2601/1998.
- ✓ L.2601 / 1998, as a software development company, whose activities are included in article 3 § 1 of this law.
- ✓ L.3220 / 2004, as a software development company, whose activities are included in article 3 § 1 of L. 2601/1998.

The Group’s parent company meets all the required conditions under Greek law for the formation and coverage of the above reserves at the date of preparation of the Financial Statements.

However, following the decision of the Company's Shareholders Extraordinary General Meeting of 19 December 2018, which approved the increase of the Company’s share capital by € 1,676,316.00, with capitalization of the following reserves: a) € 1,371. 092.40 which concerns Tax Free Reserve of L.2601 / 98, which will be taxed according to par. 2, Article 71B of Law 4172/2013, b) € 54,438.74 which concerns Special Tax-Free Investment Reserve of Article 22 of L.1828/89 and is exempt from income tax and c) € 250,784.86 which concerns Special Tax-Free Investment Reserve of Article 2 of L.3220/04 and is exempt from income tax. This increase took place with the issuance of 5,587,720 new registered shares, with a nominal value of € 0.30 each and their free distribution to the company's shareholders, in a ratio of 1 new registered share for each 1 old registered share.

Reserves analysis is shown in the table below:

Table of Reserves

GROUP

Amounts in €	Statutory Reserve	Other Reserves	Total
Acquisition Cost			
1st January 2020	**587,905.55**	**827,579.55**	**1,415,485.10**
Additions for Period 01.01 - 31.12.2020	93,983.39	-	**93,983.39**
Reductions for Period 01.01 - 31.12.2020	-	(3,411.88)	**(3,411.88)**
ACCOUNTING BALANCE as at 31st DECEMBER 2020	**681,888.94**	**824,167.67**	**1,506,056.61**
Acquisition Cost			
1st January 2019	**535,471.00**	**792,439.96**	**1,327,910.96**
Additions for Period 01.01 - 31.12.2019	52,434.55	35,139.59	**87,574.14**
Reductions for Period 01.01 - 31.12.2019	-	-	**-**
ACCOUNTING BALANCE as at 31st DECEMBER 2019	**587,905.55**	**827,579.55**	**1,415,485.10**

COMPANY

Amounts in €	Statutory Reserve	Other Reserves	Total
Acquisition Cost			
1st January 2020	**587,905.55**	**748,543.33**	**1,336,448.88**
Additions for Period 01.01 - 31.12.2020	93,983.39	-	**93,983.39**
Reductions for Period 01.01 - 31.12.2020	-	-	**-**
ACCOUNTING BALANCE as at 31st DECEMBER 2020	**681,888.94**	**748,543.33**	**1,430,432.27**
Acquisition Cost			
1st January 2019	**535,471.00**	**748,543.33**	**1,284,014.33**
Additions for Period 01.01 - 31.12.2019	52,434.55	-	**52,434.55**
Reductions for Period 01.01 - 31.12.2019	-	-	**-**
ACCOUNTING BALANCE as at 31st DECEMBER 2019	**587,905.55**	**748,543.33**	**1,336,448.88**

Special ProvisionsTax-free Reserve Analysis

GROUP

Amounts in €	ACTION 2.5.3	ICT4GROWTH	L.3220/04	Other	Total
ACCOUNTING BALANCE as at 31st DECEMBER 2019	375,000.00	251,927.89	121,615.44	75,624.34	824,167.67

COMPANY

Amounts in €	ACTION 2.5.3	ICT4GROWTH	L.3220/04	Total
ACCOUNTING BALANCE as at 31st DECEMBER 2020	375,000.00	251,927.89	121,615.44	748,543.33

In December 2015 and based on the State Aid Recovery Report with Protocol Number 606/2015 granted with the establishment of special tax-free reserves of articles 2 & 3 L.3220/2004 (Article 169 L.4099/2012), the Audit Sheet with s/n 78/24-12-2015 was issued by the competent tax office for the Company, based on which the final amount of recovery of state aid was calculated at € 12,981.77 due to the formation of Tax-Free Reserve of Law 3220/2004 amounting to € 171,134.57 from its net profits of fiscal year 2004. The total amount of this recovery amount was paid in full in January 2016.

24. ***Retained Earnings***

The Retained Earnings of the Group and the Company are demonstrated below:

	GROUP		COMPANY	
Amounts in €	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Balance at the Beginning of the Period	**8,204,742.08**	**7,168,145.89**	**7,897,086.83**	**6,953,094.67**
Net Profit for the Period after Taxes	3,279,397.60	1,408,283.02	1,879,667.78	1,048,691.00
Dividend Paid	(348,694.80)	-	(348,694.80)	-
Other Reserves	11,942.17	(19,782.42)	-	-
Transfer to Statutory Reserve	(93,983.39)	(52,434.55)	(93,983.39)	(52,434.55)
Actuarial profit-loss	(192,460.69)	(54,570.04)	(145,300.59)	(52,264.29)
Minority Rights corresponding to Share Increase of Subsidiaries	223,880.23	-	-	-
Minority Rights corresponding to Equity for the Period	18,453.26	1,493.58	-	-
Minority Rights corresponding to Total Income for the Period	(314,393.29)	(246,393.40)	-	-
Balance at the End of the Period	**10,788,883.17**	**8,204,742.08**	**9,188,775.83**	**7,897,086.83**

Due to the mandatory application of the revised IAS 19, the Group made a change in accounting policy and recognizes all actuarial gains and losses during the period in which they arise, in other comprehensive income. The effect of the change appears as a deferred tax reserve, on the defined benefit obligation due to the recognition of accumulated actuarial gains / losses that were not recognized in previous periods and respectively in other comprehensive income.

25. Non-controlling Interests

The Non-controlling Interests of the group's subsidiaries are presented in the following table:

Amounts in €	31.12.2020	31.12.2019
EPSILON PYLON S.A.	61.67	10.77
EPSILON HR S.A.	456,071.68	485,073.83
EPSILON SUPPORT CENTER S.A.	95,582.20	83,446.49
HOTELIGA INTERNATIONAL	67,577.51	-
DATA COMMUNICATION S.A.	655,882.80	-
EPSILON EUROPE PLC	1,018.84	1,016.86
	1,276,194.70	**569,547.95**

26. Bank Debt

As part of the implementation of its investment plan, the Company has received long-term borrowing with a maturity of five years, in order to meet its investment needs.

The outstanding balance of the company's loans during the year ended 31st December 2020 and during the previous year, is shown as follows:

	GROUP				COMPANY			
Amounts in €	31.12.2020		31.12.2019		31.12.2020		31.12.2019	
Long-term borrowing								
Bank borrowing		10,865,126.36		4,252,785.18		9,068,278.40		4,222,178.93
Short-term borrowing								
Bank borrowing	800,000.00		-		-		-	
Long-term bank borrowing	3,385,465.68		2,552,049.43		2,941,021.22		2,513,119.63	
Payable in the coming 12 months	-	4,185,465.68	-	2,552,049.43	-	2,941,021.22	-	2,513,119.63
Total		**15,050,592.04**		**6,804,834.61**		**12,009,299.62**		**6,735,298.56**

The long-term loans of the Group and the Company as at 31st December 2020 and 2019 respectively relate to common long-term bank borrowing. The Group and the Company have not issued bond loans.

	GROUP		COMPANY	
Amounts in €	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Balance of loans at the beginning of the year	**6,804,834.61**	**5,862,802.32**	**6,735,298.56**	**5,756,342.57**
Additions Due to Acquisition of Subsidiaries	800,000.00	-	-	-
Additions for Period	7,702,681.69	2,195,515.00	5,453,534.47	2,195,515.00
Change in Accrued Interest	62,303.67	41,241.11	51,040.51	35,557.15
Payments	(319,227.93)	(1,294,723.82)	(230,573.92)	(1,252,116.16)
Balance of loans at the end of the year	**15,050,592.04**	**6,804,834.61**	**12,009,299.62**	**6,735,298.56**

The annual capital installments required to repay all long-term loans of the Group and the Company as at 31st December 2020 and 2019, are as follows:

	GROUP		COMPANY	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Up to 1 year	4,185,465.68	2,552,049.43	2,941,021.22	2,513,119.63
From 2 to 5 years	10,865,126.36	4,252,785.18	9,068,278.40	4,222,178.93
More than 5 years	-	-	-	-
Total long-term loans	**15,050,592.04**	**6,804,834.61**	**12,009,299.62**	**6,735,298.56**

The financial expenses of the long-term loans were recorded in the income statement (Note 35).

27. Lease Liabilities

The Group's lease liabilities are presented below according to the IFRS 16 requirements:

	GROUP		COMPANY	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Lease Liabilities	2,557,592.22	1,787,989.03	1,278,873.36	1,497,344.96
Less: Short-term portion	(584,347.88)	(348,424.65)	(313,012.06)	(297,122.50)
Long-term portion	**1,973,244.34**	**1,439,564.38**	**965,861.30**	**1,200,222.46**

The total balance of liabilities from lease liabilities is analyzed as follows:

	GROUP		COMPANY	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Liability balance at the beginning of the fiscal year	**1,787,989.03**	**-**	**1,497,344.96**	**-**
IFRS 16 application	-	1,912,216.62	-	1,657,924.88
Additions due to acquisition of subsidiaries	1,041,012.71	-	-	-
Additions for Period	133,369.40	187,239.18	88,283.03	105,863.38
Write-offs	(2,460.05)	-	-	-
Interests	70,078.28	69,512.96	52,660.17	58,798.22
Rent reductions due to Covid	(65,057.02)	-	(55,296.22)	-
Payments	(407,340.13)	(380,979.73)	(304,118.58)	(325,241.52)
Liability balance at the end of the fiscal year	**2,557,592.22**	**1,787,989.03**	**1,278,873.36**	**1,497,344.96**

The future minimum lease payments and the present value of the net minimum payments to the Group and the Company as at 31st December 2020 and 2019 are analyzed as follows::

	GROUP		COMPANY	
	31.12.2020		31.12.2020	
	Minimum payments	**Present value of payments**	**Minimum payments**	**Present value of payments**
Up to 1 year	668,030.93	584,347.88	355,066.32	313,012.06
From 2 to 5 years	1,831,013.29	1,692,084.50	821,393.28	747,980.43
More than 5 years	307,386.69	281,159.84	229,361.83	217,880.87
Total minimum lease payments	2,806,430.91	2,557,592.22	1,405,821.43	1,278,873.36
Less: amounts that are financial expenses	(248,838.69)	-	(126,948.07)	-
Present value of minimum lease payments	**2,557,592.22**	**2,557,592.22**	**1,278,873.36**	**1,278,873.36**

	GROUP		COMPANY	
	31.12.2019		31.12.2019	
	Minimum payments	**Present value of payments**	**Minimum payments**	**Present value of payments**
Up to 1 year	408,668.56	348,424.65	347,171.16	297,122.50
From 2 to 5 years	1,146,968.59	1,025,904.68	987,467.41	890,385.76
More than 5 years	442,793.97	413,659.70	332,170.67	309,836.70
Total minimum lease payments	1,998,431.12	1,787,989.03	1,666,809.24	1,497,344.96
Less: amounts that are financial expenses	(210,442.09)	-	(169,464.28)	-
Present value of minimum lease payments	**1,787,989.03**	**1,787,989.03**	**1,497,344.96**	**1,497,344.96**

The financial cost of leases was recorded in the income statement (Note 35).

28. Liabilities for Pension Plans

(a) Pension: The Company's employees are covered by one of the various pension funds supported by the Greek state. Each employee is required to pay an amount of their monthly salary to the fund, along with the Company that also pays an amount. Upon retirement, the pension fund is responsible for paying employees' pensions. Thus, the company has no legal or constructive obligation to pay future benefits under this plan. The contributions to the insurance funds for the years ended 31st December 2020 and 2019 were recorded in the results of the fiscal year and amounted to 2.186.486,74 and € 1,990,245.75 for the Group, € 1.420.005,55 and € 1,434,653.10 for the Company, respectively (Note 33).

(b) Employee severance pay: Under Greek employment law, every employee is entitled to a one-time compensation in the event of dismissal or retirement. The amount of compensation depends on the time of service and the employee's earnings on the day of dismissal or retirement. If the employee remains in the Company until he retires normally, he is entitled to a lump sum equal to 40% of the compensation he would receive if he were dismissed on the same day. Greek commercial law stipulates that companies must form a provision for all personnel and at least for the liability created upon retirement due to retirement (40% of the total liability). For the subsidiaries of the group abroad there is no liability from benefits due to termination of employment.

Liabilities for personnel compensation were determined through an actuarial study. The following tables show the composition of the net expense for the relevant liability recorded in the profit/loss of the fiscal years from 1st January to 31st December 2020 and 2019, as well as the transaction of the relevant liability accounts for personnel compensation that are presented in the attached balance sheet for the year ended 31st December 2020 and 2019.

Expenditure on staff compensation recognized in profit/loss:

	GROUP		COMPANY	
Amounts in €	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Current employment Cost	233,708.81	159,909.10	154,374.19	117,900.16
Interests Cost	11,546.47	17,831.02	8,222.91	13,026.12
Exit Benefits/ Effect of cut / Settlement	(29,928.65)	(4,225.33)	(18,717.78)	(10,828.29)
Personnel Absorption / (Secondment)	-	(3,493.69)	-	(4,174.30)
Total	**215,326.63**	**170,021.10**	**143,879.32**	**115,923.69**

The transaction of the relevant provision in the Balance Sheet is as follows:

	GROUP		COMPANY	
Amounts in €	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Balance at the beginning of the period	**1,107,870.45**	**938,474.64**	**822,291.26**	**685,585.07**
Additions due to acquisition of subsidiaries	518,441.34	-	-	-
Provision recognized in the period's profil/loss	215,326.63	170,021.10	143,879.32	115,923.69
Compensation payments	(42,991.67)	(72,427.97)	(42,991.67)	(47,986.30)
Provision recognised in Comprehensive Income	253,237.76	71,802.68	191,184.99	68,768.80
Balance at the end of the period	**2,051,884.51**	**1,107,870.45**	**1,114,363.90**	**822,291.26**

In accordance with the newly revised IAS 19, actuarial effects arising from the recalculations of the present value of fixed benefit commitments and the fair value of assets are now recognized in equity. The transaction of the actuarial gain / (loss) reserve is as follows:

	GROUP		**COMPANY**	
	31.12.2020	**31.12.2019**	**31.12.2020**	**31.12.2019**
Actuarial gains / (losses) at the beginning of the year	(552,136.02)	(480,333.34)	(483,526.70)	(414,757.90)
Actuarial gains / (losses) for the year	(253,237.76)	(71,802.68)	(191,184.99)	(68,768.80)
Actuarial gains / (losses) at the end of the year	**(805,373.78)**	**(552,136.02)**	**(674,711.69)**	**(483,526.70)**

The main actuarial assumptions used for the year 2020 are as follows:

	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Prepayment Rate	0.40	1.00	0.40	1.00
Average annual rate of long-term inflation increase	1.70	1.70	1.70	1.70
Average annual long-term salary increase taken into account for retirement benefit	4.20	4.20	4.20	4.20

29. Other Long-term Liabilities

Other Long-Term Liabilities include liabilities to suppliers that are to be settled in subsequent years.

Additionally, Other Long-Term Liabilities include subsidies. More specifically, in the fiscal year 2011 the Company received a state subsidy of approximately 54 thousand euros for its inclusion in the program "Extroversion - Business Competitiveness", pursuant to the decision with Prot.No. 14370/3404/13.10.2011 of the Ministry of Development, Competitiveness and Shipping, which was completed within the year 2014.

In addition, in the fiscal year 2015 the Company received a state subsidy of approximately 403 thousand euros for its inclusion in the program "ICT4GROWTH - Support to companies for the implementation of investment development plans - provision of innovative products and services of added value", with electronic proposal code ICT- 000066 / 05-04-2013, pursuant to the decision 440/31-10-2013 of the meeting of the Board of Directors of the Information Society SA. The above investment program was completed within the year 2015.

Below is a relevant table of other long-term liabilities analysis:

	GROUP		COMPANY	
Amounts in €	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Other Long-term Liabilities - Suppliers	138,598.06	133,267.86	132,897.30	133,267.86
	138,598.06	**133,267.86**	**132,897.30**	**133,267.86**

30. Suppliers and Other Trade Liabilities

	GROUP		COMPANY	
Amounts in €	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Suppliers	1,308,368.15	1,026,794.96	650,747.97	623,365.67
Checks Payable (Postdated)	822,141.07	184,320.19	762,190.69	145,745.00
Customers' advance payments	507,323.27	205,081.85	354,172.30	164,993.99
Transitional Liabilities Accounts - Accrued Expenses	50,026.85	23,366.12	34,991.26	16,194.78
Total	**2,687,859.34**	**1,439,563.12**	**1,802,102.22**	**950,299.44**

31. Current Tax Liabilities

The current tax liabilities for the current fiscal year from 1st January to 31st December 2020 and the previous fiscal year, are presented in the following table:

	GROUP		COMPANY	
Amounts in €	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Liabilities from Taxes - Fees - Value Added Tax	1,716,064.06	1,036,572.73	1,013,948.20	798,601.56
- Staff Remuneration Taxes-Fees	361,096.20	240,625.48	220,828.55	166,323.01
- Third party remuneration Taxes - Fees	69,767.64	27,756.73	62,641.10	27,356.73
- Tax Clearance Account - Income Tax Return Fees	289,669.14	103,860.62	106,998.64	68,020.10
- Contractor's Tax	3,000.00	-	3,000.00	-
- Stamp duty from Sublease Rents	4,441.88	4,332.26	3,786.68	3,576.26
- Advertising stamp duty & Special Advertising Tax	2,508.77	2,048.05	2,369.29	1,775.03
Total	**2,446,547.69**	**1,415,195.87**	**1,413,572.46**	**1,065,652.69**

32. Other Short-term Liabilities

	GROUP				COMPANY			
Amounts in €	31.12.2020		31.12.2019		31.12.2020		31.12.2019	
Social Insurance Organisations - EFKA	619,683.15		454,303.31		327,182.06		326,041.06	
- EDOEAP	(244.60)	619,438.55	(108.83)	454,194.48	(244.60)	326,937.46	(108.83)	325,932.23
Dividends Payable	354.04	354.04	-		354.04	354.04	-	
Miscellaneous Creditors - Staff Remuneration Payable	379,834.22		364,000.39		284,550.19		277,355.13	
- O.T.E.	1,499.40		1,526.40		1,499.40		1,526.40	
- Water supply	78.00		78.00		78.00		78.00	
- Due Participation Installments	75,000.00		-		75,000.00		-	
- Other Remuneration Beneficiaries	79,870.82		52,327.38		77,274.80		50,745.48	
- Shareholders - Value of their Shares to be granted	3,323.04		3,323.04		3,323.04		3,323.04	
- Shareholders - Reserve L.4172/13 to be granted	28.49		28.49		28.49		28.49	
- Credit Cards Payable	22,234.73		29,521.42		13,340.08		27,439.45	
- Other various debtors	5,441.85		771.56		3,945.09		-	
- Advance & Credit Management Accounts	5,481.44		5,737.23		3,768.94		4,642.40	
- Other Creditors	12,319.46	585,111.45	-	457,313.91	-	462,808.03	-	365,138.39
Transitional Liabilities Accounts - Next Year Income		1,510,612.98				971,398.20		
Total		**2,715,517.02**		**911,508.39**		**1,761,497.73**		**691,070.62**

33. Expenses per Category

	GROUP		COMPANY	
Amounts in €	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Expenses Distribution by Category				
Inventory Cost Recognized as Expense	412,966.25	387,950.51	203,519.56	308,166.19
Staff Remuneration & Expenses	11,805,295.63	10,443,641.98	7,580,320.07	7,428,435.75
Assets Depreciation	1,503,073.98	1,510,546.47	1,146,339.17	1,274,002.87
Other Expenses	4,501,974.17	3,936,659.48	3,675,008.98	3,335,942.35
Total	**18,223,310.03**	**16,278,798.44**	**12,605,187.78**	**12,346,547.16**
Expenses Distribution by Operation				
Cost of Sales	8,768,915.47	7,773,931.39	6,550,531.46	6,440,840.64
Administrative Expenses	343,172.26	301,680.19	220,337.77	216,163.88
Research & Development Expenses	6,268,874.71	5,567,945.45	4,102,146.73	4,020,607.84
Distribution Expenses	2,533,281.73	2,343,648.85	1,565,786.13	1,433,462.45
Other Operating Expenses	309,065.86	291,592.56	166,385.69	235,472.35
Total	**18,223,310.03**	**16,278,798.44**	**12,605,187.78**	**12,346,547.16**

Staff Remuneration and Expenses

Benefits of the Group and the Company's staff are analyzed as follows:

	GROUP		COMPANY	
Amounts in €	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Staff Benefits Distribution				
Salaries & Wages	9,523,876.06	8,469,347.46	6,201,265.76	6,068,055.29
Employer Contributions	2,186,486.74	1,990,245.75	1,420,005.55	1,434,653.10
Other Benefits	81,266.76	21,102.44	16,830.00	16,878.44
Staff Benefits Provisions	215,326.63	170,021.10	143,879.32	115,923.69
	12,006,956.19	**10,650,716.75**	**7,781,980.63**	**7,635,510.52**
Staff Benefits Attibutable to Software Production	(201,660.56)	(207,074.77)	(201,660.56)	(207,074.77)
Total	**11,805,295.63**	**10,443,641.98**	**7,580,320.07**	**7,428,435.75**

The number of the Group and the Company's employees (EME) at the end of the current and previous period was:

	GROUP		COMPANY	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Employed Personnel	**495**	**367**	**256**	**267**

Assets Depreciation

Assets depreciation which burdened the fiscal year's profit/loss for the Group and the Company, is analyzed as follows:

	GROUP		COMPANY	
	31.12.2020	**31.12.2019**	**31.12.2020**	**31.12.2019**
Depreciation of own tangible assets	268,406.60	239,378.16	212,064.20	214,814.01
Depreciation of leased tangible assets	426,947.53	353,684.29	225,403.75	204,924.36
Depreciation of intangible assets	807,719.85	917,484.02	708,871.22	854,264.50
Total Depreciation	**1,503,073.98**	**1,510,546.47**	**1,146,339.17**	**1,274,002.87**

34. Other Operating Income / Expenses

	GROUP		COMPANY	
Amounts in €	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Other Operating Income				
Subsidized Programs Revenue	61,241.33	13,931.13	48,715.21	10,309.40
Building Rents	4,812.60	-	4,812.60	-
Grants Proportionate to the fiscal year	370.56	1,272.79	370.56	1,272.79
Extraordinary Income	8,071.18	501.15	6,046.08	0.39
Extraordinary Profits from Sale of Fixed Assets	787.22	6,255.64	787.22	6,255.64
Exchange differences	-	20.76	-	0.33
Revenue from previous fiscal years Provisions	-	7,038.00	-	7,038.00
Revenue from rent reductions due to covid	65,057.02	-	55,296.22	-
` Other Operating Income	26,285.46	26,115.82	23,644.65	26,015.82
Other Revenue from ancillary activities	-	0.01	-	-
Total	**166,625.37**	**55,135.30**	**139,672.54**	**50,892.37**

	GROUP		COMPANY	
Other Operating Expenses				
Extraordinary Expenses	2,851.01	11,281.79	537.79	11,083.44
Previous Fiscal years Expenses	19,660.51	-	2,783.92	-
Extraordinary Losses	1,000.00	5,014.48	-	4,507.35
Provisions for Impairment of bad-debt receivables (note 16)	285,554.34	275,296.29	163,063.98	219,881.56
Total	**309,065.86**	**291,592.56**	**166,385.69**	**235,472.35**

35. Financial Income / Expenses

	ΟΜΙΛΟΣ		ΕΤΑΙΡΕΙΑ	
Amounts in €	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Financial Income				
Interests on Demand & Term Deposits	40,030.67	30,120.08	31,430.68	28,333.64
Lease Interests	192.89	-	22,401.49	20,227.13
Income from Sale of Bonds	31,190.45	-	31,190.45	-
Participation Income	52,638.48	-	52,638.48	-
Bonds Income	6,022.70	-	-	-
Other Financial Income	-	8,876.60	-	-
Total	**130,075.19**	**38,996.68**	**137,661.10**	**48,560.77**

	ΟΜΙΛΟΣ		ΕΤΑΙΡΕΙΑ	
Financial Expenses				
Long-term Bank Loans Interests	342,088.27	246,849.59	326,240.57	242,160.90
Short-term Bank Loans Interests	6,143.86	-	-	-
Lease Interests	70,078.29	69,512.95	52,660.17	58,798.22
Borrowing Costs Capitalization	(3,828.19)	(3,816.09)	(3,828.19)	(3,816.09)
Purchase / Sales Commissions of Debt Instruments	-	92.35	-	92.35
Letters of Guarantee Commissions	621.69	542.40	324.09	542.40
Other Financial Expenses	95,543.67	77,995.73	60,052.17	53,537.57
Total	**510,647.59**	**391,176.93**	**435,448.81**	**351,315.35**

36. Profits per Share

	GROUP		COMPANY	
	2020	2019	2020	2019
Net Profit after Taxes	3,279,397.60	1,408,283.02	1,879,667.78	1,048,691.00
Attributable to:				
- Parent's Shareholders	2,965,004.31	1,161,889.62	1,879,667.78	1,048,691.00
- Non-controlling Interests	314,393.29	246,393.40	-	-
	3,279,397.60	1,408,283.02	1,879,667.78	1,048,691.00
Other Comprehensive Income:				
Actuarial Gains / (losses) on Personnel Benefit Programs	(253,237.76)	(71,802.68)	(191,184.99)	(68,768.80)
Deferred Tax	60,777.07	17,232.64	45,884.40	16,504.51
Total Other Comprehensive Income	(192,460.69)	(54,570.04)	(145,300.59)	(52,264.29)
Total Comprehensive Income	3,086,936.91	1,353,712.98	1,734,367.19	996,426.71
Attributable to:				
- Parent's Shareholders	2,790,996.88	1,108,813.16	1,734,367.19	996,426.71
- Non-controlling Interests	295,940.03	244,899.82	-	-
	3,086,936.91	1,353,712.98	1,734,367.19	996,426.71
Weighted Average Number of Shares				
Regular Shares in issue	12,214,784	10,945,808	12,214,784	10,945,808
Basic Earnings per Share (in €)	0.2685	0.1287	0.1539	0.0958

37. Information per Sector

Primary Information - Business Sector

GROUP

Amounts in €

31.12.2020	Software	Education	Non-attibutable	Total
Business Sector				
Sales	**20,756,147.78**	**918,571.11**	**22,178.54**	**21,696,897.43**
Operating Profit / (Loss)	**3,326,682.87**	**305,826.94**	**7,702.96**	**3,640,212.77**
Financial Income	12,245.33	-	117,829.86	130,075.19
Financial Expenses	(84,419.24)	-	(426,228.35)	(510,647.59)
Share of Profit of Associates	-	-	44,031.86	44,031.86
Net Profit / (Loss) before Taxes	**3,254,508.96**	**305,826.94**	**(256,663.67)**	**3,303,672.23**
Income Tax	(45,279.72)	-	21,005.09	(24,274.63)
Net Profit / (Loss) After Taxes	**3,209,229.24**	**305,826.94**	**(235,658.58)**	**3,279,397.60**
ASSETS				
Non-Current Assets				
Tangible Assets	4,662,583.03	-	-	4,662,583.03
Intangible Assets	6,228,436.45	-	-	6,228,436.45
Other Non-current Assets	2,647,945.70	-	2,970,509.45	5,618,455.15
	13,538,965.18	**-**	**2,970,509.45**	**16,509,474.63**
Current Assets	**29,672,060.57**	**294,085.17**	**3,228,142.95**	**33,194,288.69**
Non-current assets held for sale	**150,470.00**			**150,470.00**
Total Assets	**43,361,495.75**	**294,085.17**	**6,198,652.40**	**49,854,233.32**
LIABILITIES				
Non-current Liabilities	15,019,000.86	112,112.30	(102,259.89)	15,028,853.27
Current Liabilities	11,010,040.34	27,555.32	1,582,141.95	12,619,737.61
Total Liabilities	**26,029,041.20**	**139,667.62**	**1,479,882.06**	**27,648,590.88**

GROUP

Amounts in €

31.12.2019	Software	Education	Non-attributable	Total
Business Sector				
Sales	**17,209,952.29**	**768,030.09**	**-**	**17,977,982.38**
Operating Profit / (Loss)	**1,675,129.69**	**79,189.55**	**-**	**1,754,319.24**
Financial Income	-	-	38,996.68	38,996.68
Financial Expenses	-	-	(391,176.93)	(391,176.93)
Share of Profit / (Loss) of Associates	-	-	(34,076.35)	(34,076.35)
Net Profit / (Loss) before Taxes	**1,675,129.69**	**79,189.55**	**(386,256.60)**	**1,368,062.64**
Income Tax	-	-	40,220.38	40,220.38
Net Profit / (Loss) After Taxes	**1,675,129.69**	**79,189.55**	**(346,036.22)**	**1,408,283.02**
ASSETS				
Non-current Assets				
Tangible Assets	2,881,597.51	-	-	2,881,597.51
Intangible Assets	4,837,219.50	-	-	4,837,219.50
Other Non-current Assets	1,228,622.61	-	73,173.31	1,301,795.92
	8,947,439.62	**-**	**73,173.31**	**9,020,612.93**
Current Assets	**14,604,547.28**	**227,106.13**	**3,254,515.05**	**18,086,168.46**
Total Assets	**23,551,986.90**	**227,106.13**	**3,327,688.36**	**27,106,781.39**
LIABILITIES				
Non-current Liabilities	6,526,915.65	112,112.30	294,459.92	6,933,487.87
Current Liabilities	5,217,565.73	33,986.12	1,415,189.61	6,666,741.46
Total Liabilities	**11,744,481.38**	**146,098.42**	**1,709,649.53**	**13,600,229.33**

COMPANY

Amounts in €

31.12.2020	Software	Education	Non-attributable	Total
Business Sector				
Sales	**13,699,221.04**	**918,571.11**	**-**	**14,617,792.15**
Operating Profit / (Loss)	**1,846,449.97**	**305,826.94**	**-**	**2,152,276.91**
Financial Income	-	-	137,661.10	137,661.10
Financial Expenses	-	-	(435,448.81)	(435,448.81)
Share of Profit os Associates	-	-	4,580.39	4,580.39
Net Profit / (Loss) before Taxes	**1,846,449.97**	**305,826.94**	**(293,207.32)**	**1,859,069.59**
Income Tax	-	-	20,598.19	20,598.19
Net Profit / (Loss) After Taxes	**1,846,449.97**	**305,826.94**	**(272,609.13)**	**1,879,667.78**
ASSETS				
Non-current Assets				
Tangible Assets	1,655,482.87	-	-	1,655,482.87
Intangible Assets	4,234,547.09	-	-	4,234,547.09
Other Non-current Assets	8,241,219.76	-	2,970,509.45	11,211,729.21
	14,131,249.72	**-**	**2,970,509.45**	**17,101,759.17**
Current Assets	**21,220,008.31**	**294,085.17**	**-**	**21,514,093.48**
Non-current assets held for sale	**150,470.00**	**-**	**-**	**150,470.00**
Total Assets	**35,501,728.03**	**294,085.17**	**2,970,509.45**	**38,766,322.65**
LIABILITIES				
Non-current Liabilities	11,169,288.60	112,112.30	-	11,281,400.90
Current Liabilities	6,790,077.91	27,555.32	1,413,572.46	8,231,205.69
Total Liabilities	**17,959,366.51**	**139,667.62**	**1,413,572.46**	**19,512,606.59**

COMPANY

Amounts in €

31.12.2019	Software	Education	Non-attibutable	Total
Business Sector				
Sales	**12,883,844.64**	**768,030.09**	**-**	**13,651,874.73**
Operating Profit / (Loss)	**1,277,030.39**	**79,189.55**	**-**	**1,356,219.94**
Financial Income	-	-	48,560.77	48,560.77
Financial Expenses	-	-	(351,315.35)	(351,315.35)
Share of Profit / (Loss) of Associates	-	-	(34,076.35)	(34,076.35)
Net Profit / (Loss) before Taxes	**1,277,030.39**	**79,189.55**	**(336,830.93)**	**1,019,389.01**
Income Tax	-	-	29,301.99	29,301.99
Net Profit / (Loss) After Taxes	**1,277,030.39**	**79,189.55**	**(307,528.94)**	**1,048,691.00**
ASSETS				
Non-current Assets				
Tangible Assets	1,822,436.29	-	-	1,822,436.29
Intangible Assets	4,727,434.76	-	-	4,727,434.76
Other Non-current Assets	1,864,636.62	33,630.00	2,960,144.61	4,858,411.23
	8,414,507.67	**33,630.00**	**2,960,144.61**	**11,408,282.28**
Current Assets	**12,838,311.50**	**227,106.13**		**13,065,417.63**
Total Assets	**21,252,819.17**	**260,736.13**	**2,960,144.61**	**24,473,699.91**
LIABILITIES				
Non-current Liabilities	6,253,470.03	112,112.30	40,540.06	6,406,122.39
Current Liabilities	4,417,632.33	33,986.12	1,065,646.43	5,517,264.88
Total Liabilities	**10,671,102.36**	**146,098.42**	**1,106,186.49**	**11,923,387.27**

Secondary Sector Information – Geographical

SALES	GROUP		COMPANY	
Amounts in €	**2020**	**2019**	**2020**	**2019**
North Hellas Sales	8,258,548.87	7,105,158.81	6,504,643.04	6,072,310.80
South Hellas Sales	13,306,499.34	10,872,823.57	8,113,149.11	7,579,563.93
Foreign Sales	131,849.22	-	-	-
	21,696,897.43	**17,977,982.38**	**14,617,792.15**	**13,651,874.73**

38. Capital Commitments

The Group's companies have no commitments for the acquisition of assets, facilities and equipment.

39. Contingent Assets and Contingent Liabilities

There are no court or arbitration disputes of court or arbitration bodies that have a significant impact on the financial situation or the operation of the Group's companies.

The Company and the Group have contingent liabilities in relation to banks, other guarantees and other matters arising in the course of their ordinary business, as follows:

	GROUP		COMPANY	
Amounts in €	**31.12.2020**	**31.12.2019**	**31.12.2020**	**31.12.2019**
Guarantees to secure receivables	82,662.00	82,662.00	82,662.00	82,662.00
Guarantees to secure the sound performance of contracts with customers	1,363.50	1,363.50	1,363.50	1,363.50
Guarantees to secure the sound performance of contracts of acquisition	90,000.00	-	90,000.00	-
Guarantees to secure the sound performance of commission contracts	45,415.00	-	-	-
Guarantees to secure the sound payment of suppliers	16,800.00	16,800.00	16,800.00	16,800.00
	236,240.50	**100,825.50**	**190,825.50**	**100,825.50**

40. Related Party Transactions

The amounts of the parent company's transactions resulting from transactions with its related parties, in accordance with IAS 24, during the period from 01.01 to 31.12.2020 are as follows:

	LIABILITY													
Amounts in Euro €	*FULL CONSOLIDATION METHOD*							*EQUITY CONSOLIDATION METHOD*		*OTHER RELATED COMPANIES*				
RECEIVABLES	EPSILON NET SA	EPSILON PYLON SA	EPSILON EUROPE PLC	EPSILON HR SA	EPSILON SUPPORT CENTER SA	HOTELIGA INTERNATIONAL	DATA COMMUNICATION SA	SUPERVISOR SA	HIT HOSPITALITY INTEGRATED TECHNOLOGIES SA	OIKONOMIKES & MECHANOGRAPHIKES LYSEIS LP	OIKONOMIKES EKDOSEIS LP	SCAN SA	TAX RIGHT LTD	TOTAL
EPSILON NET SA	-	-		-	353.36	7,938.64	1,564.49	30,822.59	758.63			3,745.80	426.25	**45,609.76**
EPSILON PYLON SA	2,502.97	-		5,947.96	1,488.00			65,992.09	44.20					**75,975.22**
EPSILON EUROPE PLC			-											**-**
EPSILON HR SA	102,471.72	-		-				54,547.69				868.01		**157,887.42**
EPSILON SUPPORT CENTER SA	71,639.47	4,391.09			-									**76,030.56**
HOTELIGA INTERNATIONAL		1,915.50				-								**1,915.50**
DATA COMMUNICATION SA	967.20						-							**967.20**
SUPERVISOR SA	11,005.00	1,240.00		-				-						**12,245.00**
HIT HOSPITALITY INTEGRATED TECHNOLOGIES SA									-					**-**
OIKONOMIKES & MECHANOGRAPHIKES LYSEIS LP										-				**-**
OIKONOMIKES EKDOSEIS LP	400.27										-			**400.27**
SCAN SA	20,757.85	445.28		15,026.95								-		**36,230.08**
TAX RIGHT LTD													-	-
TOTAL	**209,744.48**	**7,991.87**	**-**	**20,974.91**	**1,841.36**	**7,938.64**	**1,564.49**	**151,362.37**	**802.83**	**-**	**-**	**4,613.81**	**426.25**	**407,261.01**

The companies “OIKONOMIKES EKDOSEIS LP”, “OIKONOMIKES & MECHANOGRAPHIKES LYSEIS LP”, “SCAN SA” and “TAX RIGHT LTD” are not consolidated with the EPSILON NET Group.

	LIABILITY													
Amounts in Euro €	*FULL CONSOLIDATION METHOD*							*EQUITY CONSOLIDATION METHOD*		*OTHER RELATED COMPANIES*				
RECEIVABLES	EPSILON NET SA	EPSILON PYLON SA	EPSILON EUROPE PLC	EPSILON HR SA	EPSILON SUPPORT CENTER SA	HOTELIGA INTERNATIONAL	DATA COMMUNICATION SA	SUPERVISOR SA	HIT HOSPITALITY INTEGRATED TECHNOLOGIES SA	OIKONOMIKES & MECHANOGRAPHIKES LYSEIS LP	OIKONOMIKES EKDOSEIS LP	SCAN SA	TAX RIGHT LTD	TOTAL
EPSILON NET SA	-	2,875,586.20		1,360,982.80	2,478.16	7,938.64	6,272.88	54,029.88		-	-	3,020.80	-	**4,310,309.36**
EPSILON PYLON SA	11,550.00	-		190.50	1,200.06			26,679.76	5,035.64				0	**44,655.96**
EPSILON EUROPE PLC			-											**-**
EPSILON HR SA	5,541.69	19,049.43		-				14,235.51				700.01		**39,526.64**
EPSILON SUPPORT CENTER SA	71,520.06	25,766.01			-									**97,286.07**
HOTELIGA INTERNATIONAL	-	2,864.50				-								**2,864.50**
DATA COMMUNICATION SA	780.00						-							**780.00**
SUPERVISOR SA	1,754.60	2,872.50		202.50				-						**4,829.60**
HIT HOSPITALITY INTEGRATED TECHNOLOGIES SA		5,000.00							-					**5,000.00**
OIKONOMIKES & MECHANOGRAPHIKES LYSEIS LP	94,000.00									-				**94,000.00**
OIKONOMIKES EKDOSEIS LP	73,996.75										-			**73,996.75**
SCAN SA	16,782.18	16,521.78		96,450.83								-		**129,754.79**
TAX RIGHT LTD	41,636.80												-	41,636.80
TOTAL	**317,562.08**	**2,947,660.42**	**-**	**1,457,826.63**	**3,678.22**	**7,938.64**	**6,272.88**	**94,945.15**	**5,035.64**	**-**	**-**	**3,720.81**	**-**	**4,844,640.47**

The amounts of the transactions of the Group and the company, which resulted from transactions with executives & members of management, according to IAS 24, at the end of the current period are as follows :

	GROUP		COMPANY	
Amounts in €	**2020**	**2019**	**2020**	**2019**
Transactions and remuneration of Executives and Members of Managemen	730,798.69	765,713.11	501,001.65	471,520.32
Receivables from Executives and Members of Management	9,690.06	4,216.02	1,461.82	1,519.64
Liabilities ti Executives and Members of Management	21,550.81	8,514.11	21,550.81	7,612.74

41. Unaudited Tax Years

The following table shows the unaudited tax years of the parent company and the group’s subsidiaries:

Name	Audit or completion or expiry until fiscal year	Unaudited fiscal years having received tax certificate
EPSILON NET - INFORMATION TECHNOLOGY, TRAINING AND HIGH-TECH PRODUCTS SOCIETE ANONYME	2014	2015–2020
EPSILON PYLON S.A.	2014	2015–2020
EPSILON HR S.A.	-	2016–2020
EPSILON SUPPORT CENTER S.A.	-	2019-2020
DATA COMMUNICATION S.A.		2014–2020

42. Audit Fees and Other Remuneration

The Remuneration of certified public accountants "ASSOCIATED CERTIFIED PUBLIC ACCOUNTANTS S.A." (SOL S.A.) for the group and the company for the year 2020 are analyzed as follows:

	GROUP		COMPANY	
Amounts in Euro €	Remuneration	% on Total Remuneration	Remuneration	% on Total Remuneration
Regular audi remuneration	35,380.00	46.35%	20,000.00	37.68%
Tax compliance auditremuneration	15,960.00	20.91%	8,080.00	15.22%
Remuneration for other audit services	25,000.00	32.75%	25,000.00	47.10%
	76,340.00	**100%**	**53,080.00**	**100%**

Within the fiscal year 2020, remuneration of € 25 thousand Euro is included for services of special financial auditing provided to the parent company regarding its transfer to the regulated market of the Athens Stock Exchange.

43. Encumbrances

There are no mortgages or prenotations registered on the movable and immovable property of the Group's companies.

44. Events After the Balance Sheet Date

Significant events after 31/12/2020

The parent company announced on **11/01/2021**, the successful completion of the **purchase process of the shareholding** of "MARFIN INVESTMENT GROUP SA. HOLDINGS" ("MIG") in "**SINGULARLOGIC SA INFORMATION SYSTEMS AND INFORMATICS APPLICATIONS**" by the investment scheme **"EPSILON NET" and "SPACE HELLAS"**.

The total consideration of the transaction, including the price for the transfer of the shares and the price for the transfer of SINGULARLOGIC loan liabilities to PIRAEUS BANK, amounted to € 18,050,000, of which **€ 9,025,000** was paid by the parent company to acquire shares corresponding to **49.305%** of the share capital of SINGULARLOGIC.

SINGULARLOGIC was transferred free of all its loan liabilities to PIRAEUS BANK and MIG, while on 31/12/2020 its cash and cash equivalents amounted to approximately 2 million euros.

On **22/01/2021**, Epsilon Net and Space Hellas announced the joint establishment of a new company, with the name "Epsilon SingularLogic Information Technology S.A." and distinctive title: "Epsilon SingularLogic S.A.".

On **19/02/2021** the sale of the parent company's participation in the company "SUPERVISOR S.A." was announced (35.16% in the share capital of "SUPERVISOR SA") for a total price of € 150,470.00 and its withdrawal from this activity.

Apart from the events already mentioned, there are no events after the Financial Statements of 31st December 2020, which concern the Group, to which reference is required by the International Financial Reporting Standards (IFRS).

THESSALONIKI, 16 MARCH 2021

CHAIRMAN OF THE BOARD OF DIRECTORS AND CHIEF EXECUTIVE OFFICER	EXECUTIVE MEMBER OF THE BOARD OF DIRECTORS	HEAD OF ACCOUNTING DEPARTMENT
IOANNIS N. MICHOS ID No.: AN 002369 / 07.10.2016	IOANNIS A. KOUTKOUDAKIS ID No.: AE 368674 / 15.03.2007	THOMAS A. KAZINERIS ID No.: Π 782615 / 03.12.1990 ECONOMIC CHAMBER OF GREECE (OEE) LICENSE No. 50345 / CLASS A'

Table of Disposal of Raised Capital as at 31 December 2020

Notification in accordance with the provisions of the decision 8/754/14.04.2016 of the Hellenic Capital Market Commission and the Decision 25/06.12.2017 of the Athens Stock Exchange (hereinafter "ATHEX"), as in force.

At its 885th/1.7.2020 meeting, the Board of Directors of the Hellenic Capital Market Commission approved the content of the newsletter of EPSILON NET S.A. for the public Bidding of new common, intangible, registered, voting shares with cash payment and abolition of the right of old shares and the listing of all shares on the Regulated Market of the Athens Stock Exchange. The public Bidding of up to 2,224,560 new shares of the Company was completed successfully by raising capital amounting to € 5,338,944 corresponding to 2,224,560 new common registered with a sale price of € 2.40 per share, in accordance with the decision of the Company's shareholders' Extraordinary General Meeting dated 15.11.2019 and the decision of the Company's Board of Directors dated 25.06.2020, which took place from Wednesday 8 July 2020 to Friday 10 July 2020 according to the Decision No. 9/687/3.7.2014 of the Hellenic Capital Market Commission and the Regulation of the Athens Stock Exchange through the Electronic Bidding procedure. More specifically, 866,940 new common registered shares (or 38.97% of the total Public Bidding) were distributed to Private Investors and 1,357,620 new common registered shares (or 61.03% of the total Public Bidding) were distributed to Special Investors. The certification of the payment of the Share Capital increase took place on 14/07/2020.

The total net income after deduction of issuance expenses of 419,940.63 euros amounted to € 4,919,003.37, in order to be used:

1) For the participation in IT & technology companies and the development of new software products for Vertical Markets in Greece and/or abroad and

2) For the participation in international IT exhibitions with the aim of finding partners for the expansion of the Group abroad.

31/12/2020 TABLE OF DISPOSAL OF RAISED CAPITALS			
METHOD OF DISPOSAL OF RAISED CAPITAL BASED ON NEWSLETTER (section 4.4 Reasons for the Bid and Use of Revenue)	**DISPOSAL OF RAISED CAPITAL AS PROVIDED BY THE NEWSLETTER (Amounts €)**	**DISPOSED CAPITAL UNTIL 31/12/2020**	**UNDISPOSED CAPITAL AT 31/12/2020**
1. Participation in IT & technology companies Participation in the share or company capital of IT and technology companies in Greece and/or abroad. The participation will be made through the purchase of existing shares and/or company shares and/or through participation in capital increases and/or through participation in bond loans convertible into voting shares.	**4,427,103.04**	**4,375,000.00**	**52,103.04**
2. Development of new software products for Vertical Markets in Greece and / or abroad Expansion of the company's product line to meet the needs of companies and entities in Vertical markets, new and/or existing.			
3. Participation in international IT exhibitions with the aim of finding partners for the expansion of the Group abroad Coverage of participation costs in international IT exhibitions (renting and forming an exhibition stand, renting equipment, promotional material, costs of similar events for prospective clients/partners, entries in printed and electronic catalogs & promotional actions to increase visitors).	**491,900.34**	**0.00**	**491,900.34**
Total	**4,919,003.37**	**4,375,000.00**	**544,003.37**

NOTE 1: The remaining amount of 544,003.38 euros as at 31.12.2020 was deposited in short-term bank deposits and it is included in the "Cash and Cash Equivalents" item of the Balance Sheet.

NOTE 2: By its decision on 10.01.2021 the Company's Board of Directors decided an insignificant change in the use of the funds for participation in exhibitions and trips abroad for the obvious reason of being unable to travel due to the pandemic. With the above decision, an amount of 487,696.96 euros from the aforementioned item was used for the acquisition of SINGULAR LOGIC together with the remaining amount of 52,103.04 euros that had remained for this fiscal year. The total amount allocated for the acquisition of SINGULARLOGIC amounted to 540,000 euros and the remaining funds raised for disposal now amount to 4,003.38 euros.

Report of Factual Findings on Agreed-Upon Procedures on the Report of Disposal of Funds Raised

To the Board of Directors of the Company **“EPSILON NET S.A.”**

In accordance with the mandate, we received from the Board of Directors of “**EPSILON NET S.A.**” (the Company), we carried out the following agreed-upon procedures for the purpose of meeting its obligations to the regulatory framework of the Athens Stock Exchange as well as the relevant legislative framework of the Capital Market Commission, regarding the Report of Disposal of Funds Raised of the Company, which concerns the share capital increase made in 2020. The management of the Company is responsible for the preparation of the above-mentioned Report. We undertook this engagement in accordance with the International Standard on Related Services (ISRS) 4400, Engagements to Perform Agreed-Upon Procedures Regarding Financial Information”. Our responsibility is to carry out the following agreed-upon procedures and inform you of our findings.

Procedures:

1) We compared the amounts reported as disbursements in the attached "Table of Disposal of Funds Raised from Share Capital Increase”, with the corresponding amounts recognized in the Company's records and data, during the period indicated.

2) We examined the completeness of the Report and the consistency of its content with what is stated in the Prospectus, issued by the Company for this purpose, as well as, the relevant decisions and announcements of the relevant bodies of the Company.

Factual Findings:

a) The amounts per category of use/investment shown as disbursements in the attached "Table of Disposal of Funds Raised from Share Capital Increase”, derive from the Company's records and data during the period indicated.

b) The content of the Report includes the minimum information provided for this purpose by the regulatory framework of the Athens Stock Exchange as well as the relevant legislative framework of the Hellenic Capital Market Commission and is consistent with the relevant Prospectus and the relevant decisions and announcements of the competent bodies of the Company.

Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any other assurance further to as much as will be referred to above. Had we performed an audit or a review, other matters might have come to our attention that would have been reported to you, in addition to what is mentioned in the previous paragraph.

This Report is solely addressed to the Board of Directors of the Company, for the purpose of meeting its obligations to the regulatory framework of the Athens Stock Exchange as well as the relevant legislative framework of the Capital Market Commission. Therefore, this Report cannot be used for any other purpose, since it is limited only to the items mentioned above and does not extend to the financial statements prepared by the company for the year 2020 for which we issued a separate Auditor's Report, dated 16 March 2021.

Athens, 16 March 2021

Dimitrios Sp. Drakopoulos
Certified Public Accountant Auditor
Institute of CPA (SOEL) Reg. No. 40061

SOL S.A.
Member of Crowe Global
3, Fok. Negri Str., 112 57 Athens, Greece
Institute of CPA (SOEL) Reg. No. 125