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## FINANCIAL REPORT FOR THE SIX-MONTH PERIOD

From 1<sup>st</sup> January 2020 to 30<sup>th</sup> June 2020

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«SPACE HELLAS S.A.»

Company's General Commercial Registry Number: 375501000  
312 Mesogion Ave., Ag. Paraskevi 153 41

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The Financial Report for the Six Month Period from 1<sup>st</sup> January to 30<sup>th</sup> June 2020 has been prepared in accordance with art. 5, Law 3556/2007, has been approved by the Board of Directors at 25<sup>th</sup> September 2020 and has been uploaded at the URL address [www.space.gr](http://www.space.gr).

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## **1 STATEMENTS OF MEMBERS OF THE BOARD (In accordance with article 5 par.2 of Law 3556/2007)**

The Members of the Board of Directors

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

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

1. The semi-annual financial statements of the Group and company SPACE HELLAS SA for the financial period from January 1, 2020, to June 30, 2020, which were prepared according to International Financial Reporting Standards, present truly and fairly the assets and liabilities, the equity and the financial results of the Company, as well as of the consolidated companies as a whole, according to par. 3 to 5 of article 5 of L. 3556/2007 and
2. The enclosed report of the Board of Directors reflects in a true manner the development, performance and financial position of the Company and the businesses included in Group consolidation, taken as a whole, including the description of the principal risks and uncertainties.

**Agia Paraskevi, 25 September 2020**

The Designated members of the Board of Directors

Chairman

Chief Executive Officer

Member and  
Chief Financial Officer

S. Manolopoulos

I. Mertzanis

I. Doulaveris

## 2 SEMI-ANNUAL REPORT OF THE BOARD OF DIRECTORS FOR THE FINANCIAL PERIOD 1.1.2020–30.06.2020

The present report of the Board of Directors of SPACE HELLAS refers to the financial period from January 1, 2020, to June 30, 2020, and is compliant to the provisions of art. 5 § 6 L.3556/2007 and related HCMC circulars and the relevant IFRS adopted by the European Union as well

This report summarises the financial position and other relevant information for the Group and the Company, the important issues that took place during the first half of year and their impact on the financial statements, the risk and uncertainties of the Group and the Company for the second half of the year and the transactions with related parties during the period, presenting in a true, condensed, yet comprehensive manner, all the necessary information required by law, enabling to obtain substantive and accurate information on the Group's and the Company's activities for the relevant period.

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

The present report is included unchanged in the Interim Financial Report of half-year 2020, along with the financial statements and the rest of the necessary information, the relevant declarations and the explanatory notes.

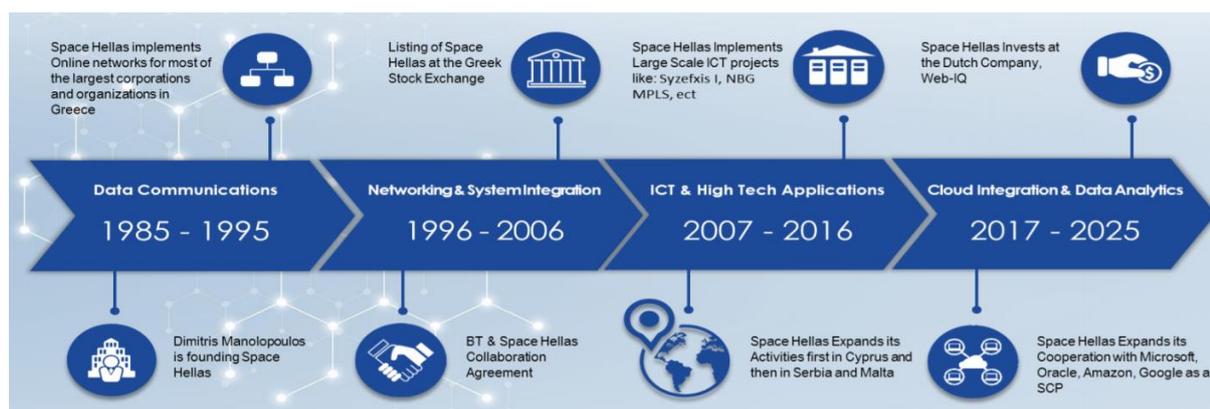
All amounts are expressed in euro unless stated otherwise.

The Interim Financial Report is available in the URL address, [Http://www.space.gr](http://www.space.gr), together with the financial statements and the independent auditor's review report.

### 2.1 FINANCIAL POSITION – PERFORMANCE – OTHER INFORMATION

#### 2.1.1 BUSINESS MODEL

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



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

As an innovative company, is a pioneer in new technological trends such as Cloud-Based Services, Internet of Things, Smart Cities, Big Data, Blockchain, AI, etc. Its wide range of solutions and services covers all kinds of needs in ICT

(Information and Communication Technologies) and security technologies such as data communications, IT and IT infrastructure, telecommunications, unified communications, information security and physical security, audiovisual systems, etc. In addition, managed services, consulting, training and transfer of Know-how, project management, as well as information security system development services, program development services are provided. Personal data protection in order to adapt to the requirements of the GDPR and DPO Services.



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

## Competitive Advantages

<b>EXPERTISE</b>	<b>EFFICIENCY</b>	<b>RESPONSE</b>	<b>EFFECTIVENESS</b>	<b>AVAILABILITY</b>
<b>&gt;700</b> certifications and accreditations	<b>24/7</b> Service-Desk with more than 60.000 calls yearly	<b>2 Hours</b> repair time for customers with stringent SLA	<b>&gt;40.000</b> on-site calls executed yearly	<b>&gt;€3 MM</b> readily available backup equipment spread all over the country

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

The superiority of Space Hellas is recognized by its customers who trust it in the course of its many years of presence. The company has entered into strategic partnerships with the most important international high-tech

providers, which allows it to successfully carry out large and complex projects for companies of high prestige and organizations in Greece, but also abroad.

## Space Hellas Business Transformation

**Space Hellas Innovation Lab**

- SD-Infrastructure
- Multicloud
- Smart-Cities/Safe Cities
- 5G
- IOT
- AI
- Blockchain

**PLATFORMS**

- AWS
- Azure
- Oracle Cloud
- DevNet

**APPS/SERVICES**

- SH Guardian
- Bizz-IQ
- Web-IQ

**PARTNERS**

- Amazon
- BT
- Cisco
- DellEMC
- Equinix
- Google
- HP
- Microsoft
- Oracle
- vmware

**PRESENCE**

- Greece
- Cyprus
- Malta
- Serbia
- Romania
- Germany
- Netherlands
- Jordan

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

## Technology Trends

**SMART Cities**  
Safe **CITIZENS**

**Digital TRANSFORMATION**

**INTERNET of THINGS**

**Artificial Intelligence**

**Mobility**

**BLOCKCHAIN**

**BIG data ANALYTICS**

Public Cloud, Private Cloud, Hybrid Cloud

### 2.1.2 FINANCIAL DATA

The Covid-19 pandemic found Greece in a critical transition period, coming out of a deep and prolonged economic crisis and having to manage the serious problems that the latter left behind. The first signs of recovery of the Greek economy from the deep crisis of recent years appeared in the first quarter of 2020 with the economic climate index climbing to the highest levels of the last twelve years. This climate is reversed by the arrival of the new coronavirus

COVID-19, the spread of which was assessed by the World Health Organization as a pandemic. The intense concern for world health from this dangerous disease, its rapid spread, as well as the ever-increasing number of cases and deaths, has forced countries to take drastic measures to limit social practices, which means a corresponding reduction of economic activity on a global scale.

The impact of this constraint was observed in both the Economic Climate Index and the Consumer Confidence Index, which decreased significantly compared to the first quarter of 2020. Nevertheless, the decline in the Domestic Economic Climate Index was milder than in the EU and the EU., while on the contrary, the change in the Consumer Confidence Index was more pronounced than in Europe.

According to a recent report by the International Monetary Fund, the pandemic had a greater negative impact than expected, and the recovery is now projected to be more gradual than previously estimated, predicting a 4.9% recession this year for the global economy and growth 5, 4% in 2021. In the euro area, GDP is estimated to initially decrease by 10.2% in 2020 and then to recover by 6.0% in 2021.

Governments around the world have reacted swiftly to prevent the worst of the effects of the pandemic and the economic consequences mainly of lockdown, with unprecedented fiscal measures to support income business, household and the economy's liquidity.

In addition, central banks and oversight bodies have globally streamlined banks' capital requirements, as well as unprecedented measures to support the liquidity of government, banks and businesses, while the European Commission and the European Council have initially approved a package of measures € 540 and set up a Recovery Fund entitled "Next Generation EU (NGEU)" to cover the increased costs of health care and support for employees and businesses.

Greece reacted on time with the outbreak of the pandemic, in both health and economic sectors, resulting in one of the best performances in Europe in reducing the spread of the virus in the population, while to limit the effects of the pandemic on the Greek economy, the Government, despite budget constraints, has managed to meet its fiscal commitments for 2020 and 2021. Programs have been implemented and implemented to support incomes, household, businesses and the economy's liquidity. In parallel with its successful presence in the European Council negotiations, Greece secured an aid package of approximately € 70 billion, € 32 billion from the NGEU and € 38 billion from the MFF.

The fact that we are already at the first stage of a second round of the pandemic, which may intensify in the winter and we are not yet sure about the timing of the widespread availability of effective vaccines and drugs, creates new negative social and economic conditions for the immediate future and prospects, as well as significant risks and uncertainties, at least in the short term.

The Space Hellas group implements strict measures to reduce the potential threat from Covid-19, setting as an absolute priority the safety of employees and its uninterrupted operation. To date, the Group remains fully-operational in all areas of its activity, taking all necessary measures to maintain high liquidity and profitability, remaining committed to the optimal utilization of its funds, with the aim of further organic development and ensuring its business continuity. It is estimated that at this stage, there is no significant impact on its fundamentals as well as on its financial situation. However, uncertainty still exists, and therefore we will constantly review the data and provide further information whenever necessary.

The position of the Group as a leading System Integrator and Value Added Solutions Provider in the field of telecommunications, information technology and security, allows enables it to respond immediately to these difficult times and to implement, as far as possible, its plan for the smooth operation of its activities.

The group's effort to be competitive is continuous and is essentially based on the know-how, skills and dedication of its people, as well as the ongoing investments made during the crisis.

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

We provide you with more detailed data of the financial statements compared to those of the previous period.

### 2.1.2.1 Period's total income

<b>Amounts in € thousand</b>	<b>Group</b>			<b>Company</b>		
	<b>01.01- 30.06.2020</b>	<b>01.01- 30.06.2019</b>	<b>CHANGE %</b>	<b>01.01- 30.06.2020</b>	<b>01.01- 30.06.2019</b>	<b>CHANGE %</b>
Revenue	33.043	29.732	11,14%	31.672	28.450	11,33%
Gross profit/loss	7.077	7.975	-11,26%	6.595	7.487	-11,91%
Gross profit margin	21%	27%		21%	26%	
EBITDA	2.994	3.228	-7,25%	2.416	2.661	-9,21%
EBIT	2.044	2.346	-12,87%	1.477	1.786	-17,30%
Earnings before taxes	1.062	1.261	-15,78%	1.245	1.152	8,07%
Earnings after taxes	640	783	-18,26%	950	802	18,45%

**The Group's turnover** amounted to € 33.043 thousand compared to € 29.732 thousand of previews period. The increase of 11,14%, is the result of the maturation of the projects that had already been signed and the effort of the Group for further product penetration in markets and customers that it operates.

**The Group's Gross profit** amounted to € 7.077 thousand compared to € 7.975 thousand of the previews year showing a decrease of 11.26%. This decrease was mainly due to the increase in the operating costs of the technical management, as a result of both the new recruitment of staff and the expansion of the company's technological footprint.

**The Group's EBITDA** amounted to € 2.994 thousand compared to € 3.228 thousand of the previews period showing a slight decrease than gross profit, due to the reduction of expenses.

**The Group's EBIT** amounted to € 2044 thousand compared to € 2.346 thousand of the previews period showing a showing slight decrease than gross profit, due to the reduction of expenses.

**The Group's earnings before taxes** amounted to € 1.062 thousand compared to € 1.261 thousand of the previews period showing a decrease of 15,78%.

**The Group's earnings after taxes** amounted to € 640 thousand compared to € 783 thousand of the previews period showing a decrease of 18,26%.

#### Statement of comprehensive income

**The other comprehensive income after taxes** comprises the net amount of € 359 thousand after taxes, resulted from the revaluation of property at the fair value, as resulted from the independent chartered surveyors, the net amount of €-18 thousand of actuarial results (IAS 19) after taxes and the amount of €-7 thousand, of currency differences from the consolidation of subsidiaries.

**The other comprehensive income after taxes of previews year** comprises the net amount of 123 thousand, resulting from the effect of the tax rate changes on the deferred tax from the revaluation of property at the fair value, the net amount of €-21 thousand of actuarial results (IAS 19) after taxes and the amount of €-2 thousand, of currency differences from the consolidation of subsidiaries.

### 2.1.2.2 Assets

Amounts in €	Group			Company		
	01.01-30.06.2020	01.01-31.12.2019	Change %	01.01-30.06.2020	01.01-31.12.2019	Change %
Total Assets	68.522	69.140	-0,89%	67.698	67.906	-0,31%
Total non-current asstes	23.606	22.709	3,95%	23.464	22.628	3,69%
Inventory	7.094	6.625	7,08%	7.094	6.625	7,08%
Trade receivables	18.534	14.722	25,89%	18.272	14.639	24,82%
Other Receivables	19.288	25.084	-23,11%	18.868	24.014	-21,43%

**The Group's Total Assets** amounts to € 68.522 thousand compared to € 69.140 thousand of the year 2019.

**The Group's non-current receivables'** net value amounts to € 23.606 thousand compared to € 22.709 thousand of the year 2019 attributable mainly to the Group's continuous investing efforts.

**The Groups' inventories** of goods, raw and auxiliary materials and consumables amount to € 7.094 thousand compared to € 6.625 thousand of the year 2019, showing an increase attributable to projects with high product complexity, which fall on the second semester of the year.

**The Group's Trade receivables** amount to € 18.534 thousand compared to € 14.722 thousand of the year 2019 showing an increase of 25,89% attributable to the increased turnover recorded in the second quarter of the year.

**The Group's other receivables** amount to € 19.288 thousand compared to € 25.084 thousand of the year 2019.

### 2.1.2.3 Liabilities

Amounts in € thousand	Group			Company		
	01.01-30.06.2020	01.01-31.12.2019	ΜΕΤΑΒΟΛΗ %	01.01-30.06.2020	01.01-31.12.2019	ΜΕΤΑΒΟΛΗ %
Total Liabilites	68.522	69.140	-0,89%	67.698	67.906	-0,31%
Equity	17.364	16.390	5,94%	16.682	15.391	8,39%
Long term loans	19.518	15.307	27,51%	19.518	15.307	27,51%
Long term leases	607	1.183	-48,69%	607	1.181	-48,60%
Other long term liabilites	1.768	1.592	11,06%	1.768	1.592	11,06%
Short term loans	9.552	9.682	-1,34%	9.552	9.682	-1,34%
Short term leases	729	192	279,69%	722	182	296,70%
Other short term liabilites	18.984	24.794	-23,43%	18.849	24.571	-23,29%

**The Shareholders' equity** amounts to € 17.364 thousand compared to € 16.390 thousand.

**The Group's long-term loans** amount to € 19.518 thousand compared to € 15.307 thousand compared to the year 2019. The loans concern:

- Mortgage loan ending at 2022, of initial amount € 1.500 thousand, and after interest and principal payments amounting to € 375 thousand.
- Mortgage loan ending at 2024, of initial amount € 2.700 thousand, and after interest and principal payments amounting to € 1.350 thousand.
- Mortgage loan ending at 2026, of initial amount € 5.976 thousand, and after interest and principal payments amounting to € 2.780 thousand.
- Mortgage loan ending at 2022, of initial amount € 1.500 thousand, and after interest and principal payments amounting to € 375 thousand.
- Mortgage loan ending at 2022, of initial amount € 2.000 thousand, and after interest and principal payments amounting to € 625 thousand.
- Mortgage loan ending at 2022, of initial amount € 1.000 thousand, and after interest and principal payments amounting to € 214 thousand.

- Mortgage loan ending at 2022, of initial amount € 2.000 thousand, and after interest and principal payments amounting to € 1.850 thousand.
- Mortgage loan ending at 2023, of initial amount € 2.000 thousand, and after interest and principal payments amounting to € 1.525 thousand.
- Mortgage loan ending at 2023, of initial amount € 2.500 thousand, and after interest and principal payments amounting to € 2.143 thousand.
- Mortgage loan ending at 2024, of initial amount € 500 thousand, and after interest and principal payments amounting to € 281 thousand.
- Mortgage loan ending at 2024, of initial amount € 2.000 thousand, and after interest and principal payments amounting to € 1.900 thousand.
- Mortgage loan ending at 2025, of initial amount € 6.500 thousand, and after interest and principal payments amounting to € 6.100 thousand.

The fair value of the short and long-term borrowings approximates the book value. The rate used in the company's and the Group's borrowings is floating and renegotiable within a six-month period. The average interest rate applied is 4,25%.

**The Group's other long term liabilities** amount to € 1.768 thousand compared to € 1.592 thousand of the year 2019.

**The Group's short-term loans** amount to € 9.552 thousand compared to € 9.682 thousand of the year 2019.

**The Group's other short term liabilities** amount to € 18.984 thousand compared to € 24.794 thousand of the year 2019.

#### 2.1.2.4 Cash Flow

	<b>Group</b>		<b>Company</b>	
	<b>01.01- 30.06.2020</b>	<b>01.01- 30.06.2019</b>	<b>01.01- 30.06.2020</b>	<b>01.01- 30.06.2019</b>
Amount ins € thousand				
Total cash inflow/(outflow) from operating activities	-10.275	-6.329	-10.432	-6.580
Total cash inflow/(outflow) from investing activities	-1.334	-2.701	-914	-2.602
Total cash inflow/(outflow) from financing activities	3.793	3.016	3.800	3.022

**Cash flow from operating activities** is negative amounting to € -10.275 thousand. The continuous increase of the turnover together with the prepayment of the contractual costs, before the total maturity of the related revenues, which always takes place at the end of the year. Historically, this trend has been reversed at the end of each financial year.

**Cash flow from investing activities** is negative amounting to € -1.334 thousand attributable to the execution of the investment plans.

**The cash flow from financing activities** is positive amounting to € 3.793 thousand. This result confirms the ease of access of the Group to financial institutions for the financing of its activities and the excellent relations with the banking system.

#### 2.1.2.5 Performance ratios

	<b>Group</b>		<b>Company</b>	
	<b>30.06.2020</b>	<b>30.06.2019</b>	<b>30.06.2020</b>	<b>30.06.2019</b>
<b>A. LIQUIDITY RATIOS</b>				
A1. CURRENT RATIO	153,48%	136,55%	151,88%	134,15%
A2. QUICK RATIO	129,23%	113,49%	127,52%	110,84%
A3. ACID TEST RATIO	31,66%	28,91%	29,99%	25,50%
A4. WORKING CAPITAL TO CURRENT ASSETS	0,35	0,27	0,34	0,25

**B. CAPITAL STRUCTURE RATIOS)**

B1. DEPT TO EQUITY	294,61%	251,25%	305,82%	260,92%
B2. CURRENT LIABILITIES TO NET WORTH	168,17%	154,26%	174,21%	159,56%
B3. OWNER'S EQUITY TO TOTAL LIABILITIES	33,94%	39,80%	32,70%	38,33%

**C PROFITABILITY RATIOS**

C1. GROSS PROFIT MARGIN	21,42%	26,82%	20,82%	26,32%
C2. NET PROFIT MARGIN	3,22%	4,24%	3,93%	4,05%

**D OPERATING EXPENSES RATIOS**

D1. OPERATING RATIO	95,07%	92,36%	96,04%	93,45%
D2. LOANS TO TOTAL ASSETS	42,42%	43,56%	42,94%	44,34%

**2.1.2.6 Share Capital**

The company's shares are ordinary registered shares and have been listed in ASE since 29.09.2000

There are no changes during the period.

Number of shares and nominal value	30.06.2020	31.12.2019
Paid up capital	6.973.052,40	6.973.052,40
Number of ordinary shares	6.456.530	6.456.530
Nominal value each share	1,08 €	1,08 €

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

**2.1.2.7 Own Shares**

The company does not possess any own shares as at 30-06-2020.

**2.1.2.8 Dividend policy**

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

Dividends are proposed by the company's management at the end of each fiscal year, subject to the approval of the Annual Ordinary General Meeting of shareholders.

On 18.06.2020 the General Assembly decided the distribution of part of the special reserve, for the amount of € 419.674,45, that is € 0,065 per share, setting the Beneficiary Identification Date, Friday 5 July 2019, and Dividend Date, Friday, July 4, 2020, Distribution Date: Wednesday, July 10, 2019, and Alpha Bank as the paying bank.

It should be noted that according to Law 4646/2019, the profits distributed by legal entities, from the year 2019 onwards, are subject to withholding tax at a rate of 5%.

### 2.1.2.9 Participating interests and investments:

Corporate name	Country	Sector	Ownership percentage		Consolidation method
			Direct	Indirect	
<b>Subsidiaries</b>					
SPACE HELLAS (CYPRUS) LTD	Cyprus	ICT	100%	-	Full Consolidation
SPACE HELLAS SYSTEM INTEGRATOR S.R.L.	Romania	ICT- Investment Properties	-	99,45%	Full Consolidation
SPACE HELLAS Doo Beograd-Stari Grad	Serbia	ICT	-	100%	Full Consolidation
SPACE HELLAS (MALTA) LTD	Malta	ICT	-	99,98%	Full Consolidation
SPACE ARAB LEVANT TECHNOLOGIES COMPANY	Jordan	ICT	-	100%	Full Consolidation
<b>Associates &amp; Joint Ventures</b>					
Web-IQ B.V.	Netherlands	Specialised applications	32,28%	-	Equity method
<b>Other investments</b>					
AgroApps Private Company.	Greece	Specialised applications in the agricultural sector	19%	-	-
MOBICS S.A.	Greece	Software Development	18,10%	-	-

On 26-05-2020, Space Hellas announces the conclusion of an agreement for the investment in "Agricultural Applications PC." with the company name "Agro Apps PC", which is based in Thessaloniki. AgroApps was founded in 2015, with the aim of offering digital solutions for the agricultural sector. Since its inception, AgroApps has invested in the research and development of solutions based on Artificial Intelligence technologies, satellite and meteorological data, advanced mathematical models and crop development models. AgroApps solutions meet both the needs of a small producer and the most demanding needs of companies and public bodies, as they include surveillance and management systems of farms, high-resolution weather forecast, water resources monitoring and control services, services for the agricultural sector as well as personalized solutions for companies and public bodies.

The agreement includes three stages of investment, wherein the first stage on 25-5-2020 Space Hellas acquired 19% of the existing shares of AgroApps, in the second stage on 25-8-2020 exercised the option for the acquisition of additional 16% of the existing shares of AgroApps, and the investment amounted to € 825 thousand. In the third stage, Space Hellas will have the right to acquire an additional 10% of AgroApps through an increase of its share capital, while in case of transformation of AgroApps into a public limited company, Space Hellas will be entitled to appoint one member to its three-member board. If the third stage is implemented, the total amount of Space Hellas' investment will rise to 45% in AgroApps and will amount to € 1,275,000.

### 2.1.2.10 Commitments -Guarantees

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

	Group		Company	
	30.06.2020	31.12.2019	30.06.2020	31.12.2019
Amounts in € thousand				
Guarantee letters to secure good performance of contract terms	5.734	5.886	5.734	5.886
<b>Total contingent liabilities</b>	<b>5.734</b>	<b>5.886</b>	<b>5.734</b>	<b>5.886</b>

On 30.6.2020 and 31.12.2019 as well, there were no outstanding guarantee letters to secure good performance in favour of associates of joint ventures.

#### **2.1.2.11 Excess clause provisions and Disputed claims**

There are no disputed claims of third parties against the company and the Group or court decisions that may have a significant impact on the financial situation of the company and the Group.

#### **2.1.2.12 Other contingent liabilities**

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

For the companies that are under the Greek tax jurisdiction, the tax years from 2013 and before, are considered finalized.

There is no legal framework for tax control for foreign subsidiaries. Audits are carried out exceptionally, where required, by the tax authorities of each country based on specific criteria. The tax liabilities arising after its submission annual tax return remain under the control of the tax authorities for a certain period of time, by the tax legislation of each country.

For the years 2011 to 2018 the parent has been audited by the Certified Public Accountants as provided by para. 5. Art. 82, N2238 / 1994, the provisions of the Law 1159 / 26-7-2011 as well as the article 65A of N4174 / 2013 to obtain the tax certificate from the statutory auditors. From the year 2016 onwards, the tax certificate is optional. Upon completion of the tax audit, the statutory auditor or audit firm issues to the company a "Tax Compliance Report".

For the years 2011 to 2018, the Group companies operating in Greece and meeting the relevant criteria for inclusion in the tax audit of Chartered Accountants, received a Tax Compliance Report, according to par. 5 of article 82 of Law 2238/1994 and article 65 A par.1 of L.4174 / 2013, without qualifications. According to the POL circular. 1006/2016, companies that have been submitted to the above special tax audit are not exempted from conducting regular audits by the competent tax authorities. For the year 2019, the tax audit of the Certified Public Accountants for the issuance of the Tax Compliance Report is in progress. After the completion of the tax audit, the management of the Group does not expect to undertake significant tax liabilities other than those recorded and reflected in the financial statements.

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

Except for the above mentioned, there are no other contingent liabilities.

## **2.2 ALTERNATIVE PERFORMANCE MEASURES**

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

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

APMs should always be taken into account in conjunction with the financial results prepared under IFRSs and in no case should it be considered as a substitute.

The Group uses the Custom Indicators (APMs) to illustrate better the financial and operating performance associated with the Group's activity as it stands during the reporting year as well as the corresponding previous comparable period.

The Group uses the Custom Indicators (APMs) to illustrate better the financial and operating performance associated with the Group's activity as it stands during the reporting year as well as the corresponding previous comparable period.

### Adjusting elements

Figures influencing the adjustment of the indices used by the Group to extract the APMs according to the first half financial statements as of 30.6.2020 and the corresponding financial statements of the prior period are the provisions for trade receivables impairment.

The elements that affect the regulation of adjustment (APMs) on 30.06.2020 and 30.06.2019 are shown in the table below:

	<b>Group</b>	
	<b>30.06.2020</b>	<b>30.06.2019</b>
Amounts in € thousand		
<b>Comprehensive Income Statement</b>		
Provisions for impairment	0	150
<b>Total</b>	<b>0</b>	<b>150</b>

Based on the above adjustments, the APMs used by the Group is formed as follows:

### Adjusted EBITDA

The adjusted EBITDA for the current period is 5% higher than EBITDA, while compared to previews period, results to be decreased by 11,37%.

### Adjusted EBIT

The adjusted EBIT for the current period is 6% higher than EBIT, while compared to the previews period, results to be decreased by 18,11%.

### Adjusted Cash Flows after Investments

Adjusted Cash Flows after investments during the current period appear zero in relation to Cash Flows after investments, while compared to the previous period, adjusted Cash Flows after investments are reduced by 30.73%.

### Adjusted Net Borrowing

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

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

## 2.3 SIGNIFICANT FACTS DURING FIRST SEMESTER 2020 AND THEIR IMPACT ON THE FINANCIAL STATEMENT

Significant facts that took place during the period from 1<sup>st</sup> January to 30<sup>th</sup> June 2020 are the following:

- Within February 2020, SPACE HELLAS completed the upgrade of the Information Technology Services Management System, to meet the requirements of the new 2018 version of the ISO 20000-1 Standard. On 6-3-2020, the revised System was successfully inspected - in the presence of ESYD inspectors, and the ISO 20000-1: 2018 certificate was issued.
- At the same time, on 6-3-2020, the Business Continuity Management System was successfully inspected - in the presence of the ESYD inspectors - which is developed in accordance with the requirements of the international Standard ISO 22301: 2019 and the relevant certificate was issued.
- Space Hellas was pleased to announce the scholarships, based on the announced honorary scholarship "Dimitris Manolopoulos" for the academic year 2019-2020, in the presence of the Board of Directors of the company.

- In early March, measures began to be imposed to limit the spread of COVID-19 and protect against the pandemic. In this context, and because of the publication of the financial statements, ESMA issued a recommendation on 12 March calling on all financial market participants to have contingency plans in place to ensure the continuity of operations, to publish all possible information on the impact of COVID-19 on its underlying assets and prospects, and includes related disclosures in the financial statements. Given the spread of the coronavirus, it is difficult to predict the extent of the potential impact on the global economy at this point. Results can range from successful virus testing and small short-term results to the prolonged impact that can lead to recession. In addition, governments are implementing policy and fiscal actions to mitigate potential negative economic impacts. However, the future impact must be assessed based on the accounting basis used to prepare these Financial Statements. Regarding the activities of the Group, the Management closely monitors the developments since the outbreak of the pandemic, follows the guidance of the local health authorities and observes the requirements and actions implemented by the authorities. The Group has implemented emergency plans to limit the potential negative effects on the Group's employees and businesses.
- On 26-5-2020, Space Hellas announced the conclusion of an agreement for the investment of the "Agricultural Applications PC." with the company name "Agro Apps PC", which is based in Thessaloniki. AgroApps was founded in 2015 to offer digital solutions for the agricultural sector. The agreement includes three stages of investment, wherein the first stage on 25-5-2020 Space Hellas acquired 19% of the existing shares of AgroApps, in the second stage on 25-8-2020 exercised the option for the acquisition of additional 16% of the existing shares of AgroApps, and the investment amounted to € 825 thousand. In the third stage, Space Hellas will have the right to acquire an additional 10% of AgroApps through an increase in its share capital, while in case of transformation of AgroApps into a public limited company, Space Hellas will be entitled to appoint a member to its three-member board. If the third stage is implemented, the total amount of Space Hellas' investment for 45% in AgroApps, will amount to € 1.275.000.

- 34<sup>th</sup> Ordinary General Meeting of shareholders of 18-06-2020:

Decisions on the agenda were discussed and decided as follows:

- Item 1: Submission and Approval of the Annual Financial Report (Group and Company), in accordance with International Financial Reporting Standards, for the fiscal year 01/01/2019 - 31/12/2019 which includes the Annual Financial Statements after the relevant Reports and Statements of the Board of Directors and the statutory auditor.
- Issue 2: Approval of management's total performance that took place during the year 1/1/2019 - 31/12/2019 according to article 108 Law 4548/2018, and discharge of auditors' responsibilities for the year 1/1/2019 - 31 / 12/2019 according to article 117 para. 1 per. C) Law 4548/2018.
- Item 3: Approval of the distribution of results of the corporate year 01/01/2019 - 31/12/2019, including (a) distribution of dividend for the said year and (b) distribution of profits to the company's staff. Provision of authorizations to the board of directors of the company.
- Issue 4: Election of an auditing firm for the statutory audit and review of the annual and interim financial statements (corporate and consolidated) for the corporate year 2020, in accordance with international financial reporting standards and determination of their remuneration.
- Issue 5: Submission for discussion and voting of the salary report for the corporate year 01/01/2019 - 31/12/2019.
- Issue 6: Submission for approval of the updated remuneration policy.
- Item 7: Approval of paid remuneration and compensations of the members of the board of directors for the corporate year from 1/1/2019 to 31/12/2019 and pre-approval of remuneration and compensations for the corporate year from 1/1/2020 to 31/12 / 2020.
- Issue 8: Election of a new board of directors of the company and appointment of its independent non-executive members.
- Issue 9: Election of the members of the company's audit committee.
- Issue 10: Provision of approval for the acquisition of own shares according to article 49 of law 4548/2018.
- Issue 11: Granting permission to the members of the board of directors and the directors of the company according to article 98 para. 1 of law 4548/2018.
- Issue 12: Various announcements.

## 2.4 BUSINESS PERSPECTIVES FOR THE GROUP AND THE COMPANY

### 2.4.1 INTRODUCTION

The course of the Greek economy, as well as the world economy in the first half of 2020, was significantly affected by the rapid spread of coronavirus COVID-19 and by the necessary measures to prevent and suppress it affecting all the economic industries in the country. The implementation of traffic restrictions, teleworking, and the closure of

several companies have left a significant negative impact on the economic activity and growth prospects despite short-term financial measures to support entrepreneurship and job retention. The telecommunications, IT and security sectors are among those that have shown significant resilience during the restrictive measures as there has been an explosive increase in the use of digital media, entertainment, information, e-shopping, data handling, payments and other transactions. At the same time, there has been an increased demand for computers, cloud services and significant upgrades to central infrastructure, mainly in large organizations in both the private and public sectors. The period of restrictive measures and social distancing (lockdown), however, also created significant delays in the execution of large IT projects as well as in the preparation and conduct of tenders for projects that had been announced. Based on the data of the first half of 2020 and despite any delays, SPACE HELLAS Group has steadily continued its growth course, taking advantage of investment opportunities and expanding its position in the market. Having a significant delay of projects and new contracts whose signing process is expected to be completed within the year, such as those of SYZEFXIS II, sub action 3, with a total budget of 132.6 million euros, the company continues at a steady pace in 2020 to invest in human resources, infrastructure and know-how in the new state-of-the-art technologies, in order to meet the particularly high demands of the ongoing projects.

The following paragraphs describe the most important activities and development prospects of the group at the international level for the coming years.

#### 2.4.2 PRIVATE SECTOR AND STATE-OWNED ENTERPRISES (SOEs)

In the private sector and SOEs, the projects and the technical support contracts are developing without significant differences from those mentioned in the annual financial report 2019 (paragraph 2.4). The most important clients with projects and support contracts are:

- OPAP, OTE, British Telecom, Forthnet, Wind, Vodafone, T-Systems, Telecom Italia Sparkle, National Bank of Greece, Piraeus Bank, Alpha Bank, PPC, ELPE, IPTO, HEDNO, EDA Thessaloniki-Thessaly, EPA Thessaloniki-Thessaly, Avin Coral, Lenovo, Intralot, Intrakat, Fraport, DIGEA, Honeywell Process Solutions, Qualco

Also, significant offers amounting to approximately **22 million** euros are in the process of evaluation in organizations such as OTE, WIND, OPAP, National Bank, Piraeus Bank, Alpha Bank, Municipality of Thessaloniki, Forthnet, NN Insurance, Viochalko Group, ELPE, Lamda Development, Intralot, IPTO, HEDNO, EYDAP, PPC, ELTA, PPA, NTUA, etc. and the evaluation process is expected to be completed within the year.

#### 2.4.3 PUBLIC SECTOR

The updated list of important projects in the **public sector** for support service contracts is as follows:

##### Public Works - under implementation

- Information Society: SYZEFXIS II, Subaction 5 (association of companies): "Central Services ISP & SLA" with a contract price of **16.2 million euros** plus VAT and withholdings.
- Ministry of Foreign Affairs: Three-year contract for support and upgrade of N-VIS system that concerns the automation of the issuance of VISA license in 135 Greek embassies and consulates worldwide, of **2.1 million euros**.
- Ministry of Public Order and Citizen Protection (association of companies): Expansion of an automated border surveillance system in the riparian section of the Greek-Turkish border in the area of river Evros and interconnection of the Regional Centers for Integrated Border Management and Immigration), budget **12 million euros**.
- Ministry of Public Order and Citizen Protection: "Establishment of a Business Center, as a single point of contact (Single Point of Contact - S.P.O.C.)" contract price of **654 thousand euros** plus VAT and withholdings.
- Ministry of Public Order and Citizen Protection: Maintenance contract of the project "Electronic Citizen Identification and Identification Services (e-TAP)".
- Ministry of Public Order and Citizen Protection: Maintenance contract of the project "Cybercrime prosecution services for the protection of citizens' safety and healthy entrepreneurship (e-Crime)".
- Ministry of Public Order and Citizen Protection: Maintenance contract of the project "Remote Access for Greek Police Users (PoL 8)".
- Ministry of Public Order and Citizen Protection: The implementation of the contract for the supply of travel document readers has been completed, and the 2-year warranty period is in progress.
- Coast Guard: "Supply of Communications System for search, rescue and navigation safety" **2,044 million euros** plus VAT and withholdings.

- Ministry of Education: "Supply, installation and configuration of hardware and software, for the implementation of a system for safe transmission of exams and certifications", contract price **1.04 million euros** plus VAT and withholdings.
- Ministry of Education: "Supply and installation of ICT equipment for school units of Primary and Secondary Education in the Region of Western Macedonia", **3.2 million euros** plus VAT and withholdings. The implementation of the contract has been completed, and the 2-year warranty period is in progress.
- EDYTE (former GRNET): Completion of contract and start of maintenance services of the project "DWDM infrastructure upgrade".
- Civil Aviation Service: "Supply of Communications and Voice Recording System" contract price of **3.79 million euros** plus VAT and withholdings.
- Civil Aviation Service: Implementation of the project "Supply of aeronautical message transfer system AFTN / CIDIN / AMHS". The project was successfully completed, and the 2-year warranty period is in progress.
- Civil Aviation Service: "Supply of Air Traffic Control Data Display Screens of Athens International Airport". Completion of contract and start of maintenance services.
- Hellenic Atomic Energy Committee: The warranty period of the project "National Observatory of Electromagnetic Fields" has ended and the 2-year contract for maintenance and support services has started.
- EUMETSAT: Provision of technical services (framework agreement).

Public works - in the contracting stage:

- Information Society: SYZEFXIS II, Signing of executive contracts in a company association for the sub action:
  - Sub-action 3: "Security Infrastructure, Telephony, Teleconferencing, Wiring" framework agreement total budget **132.6 million euros** including the option, plus VAT and reservations.
- EETT: "Spectrum Management OPS", budget **2,106 million euros**.
- Ministry of Public Order and Citizen Protection: "Passenger Data Management System (PNR)", **2.9 million euros**.
- Ministry of Foreign Affairs: "Nomination of Support Service Provider of Consular Authorities or Consular Offices of Diplomatic Missions in the Visa Issuance Process" the company is the only company from the bidders that continues in Group 3 which includes Turkey, Egypt, Israel, Lebanon, Saudi Arabia, Kuwait, Bahrain, Qatar, Iran, Algeria, Tunisia, Morocco, Oman, Yemen.

Public works under evaluation:

- Ministry of Public Order and Citizen Protection: "New system for issuing IDs and other secure documents", budget **400 million euros**.
- Civil Aviation Service: "Supply of air navigation systems for the relocation of the Athens approach from KEPATHM to AIA", budget **3 million euros**.
- Ministry of Economy and Development: "Framework Agreement for the Supply of Desktop Computers and Flat Screens for the Needs of 19 Operators", budget **6.8 million euros**.
- Ministry of Economy and Development: "Framework Agreement for the Supply of Desktop Computers, to cover the needs of the Contracting Authorities / Bodies GES, GEETHA, GEA and APS", budget **1,295 million euros**.
- Participation as subcontractors for works related to information and communication technologies (ICT) in the tender for the construction of line 4 of the Athens Metro.
- Coast Guard: "Installation of a system for surveillance and monitoring of maritime traffic in the North Aegean", budget **2.85 million euros**, participation as subcontractors.
- Ministry of Education: "Supply and installation of ICT equipment in School Units of Preschool and Primary Education of the Attica Region", **6.9 million euros**.
- Ministry of Public Order and Citizen Protection: "Supply of IT equipment to meet the needs of the Information Technology Directorate / AEA", **1.87 million euros**.
- Ministry of Economy and Development: "Framework Agreement for the Supply of PCs and monitors for the needs of the public sector", **23 million euros**.
- Ministry of Economy and Development: "Framework Agreement for the Supply of Scanners / Printers and Multifunction Machines", **29 million euros**.
- Municipality of Eastern Samos: "Management and Promotion of the Folklore Museums of Samos, using modern Information and Communication Technologies", **269 thousand euros**.
- Municipality of Syros-Ermoupolis: "Development of digital applications for contact with the world of Markos Vamvakaris", **161 thousand euros**.
- Byzantine Museum of Thessaloniki: "Digital Museum of Byzantine Culture", **410 thousand euros**.
- Municipality of Patras: "Smart ICT applications for the promotion of BAA thematic tourism", **160 thousand euros**.
- Lesvos Geopark: "Museum of Natural History of the Petrified Park of Lesvos", **234 thousand euros**.
- EDYTE (former GRNET): "Supply of optical equipment for the upgrade of the interconnection of the points of presence of GR-IX", **160 thousand euros**.
- EDYTE (former GRNET): "Maintenance services of optical network equipment", **600 thousand euros**.

#### 2.4.4 RESEARCH AND DEVELOPMENT

With regard to co-financed R&D projects, eleven projects (European and National) are underway, with a total budget of **6.1 million euros** and funding for the company of about **5 million euros**.

##### EU Research funded projects

- Has a key role in the implementation of the **HEIMDALL** project (Multi-Hazard cooperative management tool for data exchange, response planning and scenario building) in the area of security and crisis management.
- Has a key role in the **5GENESIS** project (5th Generation End-to-end Network, Experimentation, System Integration, and Showcasing) to develop pan-European 5G pilot infrastructures. Space Hellas, in conjunction with its subsidiary Space Hellas (Cyprus) Ltd., is coordinating the development of a complex 5G pilot platform in Limassol, Cyprus.
- Actively contributes to the **TRESSPASS** project (robust Risk based Screening and Alert System for PASSengers and luggage), where is responsible for developing and integrating Web intelligence technologies for passenger control and risk assessment at the Border Checkpoints, based on the Voyager platform of Web-IQ.
- Participates in a key role in the **EVOLVE** project (HPC and Cloud-enhanced Testbed for Extracting Value from Diverse Data at Large Scale), where she coordinates the development of integrated applications on innovative High-Performance Computing platforms.
- Participates in the **PREVISION** (Prediction and Visual Intelligence for Security Information) project, launched in September 2019. Space Hellas contributes to the development of a complex information mining and information security management system based on the Web-IQ Voyager platform, among others.
- Under the contracting stage is also the **Be Secure Feel Secure** project funded by EU regional programs through the European Innovative Actions for Urban Development (UIA) program. The project involves the implementation of a series of innovative actions to enhance the sense of security in the city of Piraeus, utilizing the results of the H2020 City Risks project coordinated by Space Hellas.
- Participates in the **PALANTIR** (Practical Autonomous Cyber health for resilient SMEs & Microenterprises) project, launched as the continuation of the SHIELD project and focuses on innovative financial cybersecurity services in small and medium enterprises. Space Hellas contributes to the development of the Central Platform (SIEM) for the detection and categorization of cyber threats.
- Participates in the **ASSURED** (Future Proofing of ICT Trust Chains: Sustainable Operational Assurance and Verification Remote Guards for Systems-of-Systems Security and Privacy) project which develops innovative methods for protecting the integrity of software units in complex information systems.
- The contracting process for the new project entitled "Cyber Defense Platform for Real-time Threat Hunting, Incident Response and Information Sharing (**PANDORA**) is about to be concluded. The project is to be implemented under the European Industrial Development Program in the field of defence (EDIDP) is completed. Space Hellas leads the project consortium with the participation of 16 organizations from 8 Member States of the European Union. The purpose of PANDORA is to design and implement a complete software solution for detecting and dealing with cyber threats, with emphasis on endpoint security and network security as well as for threat intelligence exchange. The project is fully in line with the objectives and operational requirements of the transnational PESCO project entitled "Cyber Threats and Incident Response Information Sharing Platform (CTISP)", which is coordinated by the Hellenic Ministry of Defense (GEETHA / Directorate of Cyber Defense). The total funding for Space Hellas amounts to approximately **1 million euros** while the total budget of the project is **7.632 million euros**.

##### Nationally Funded Research Projects:

- Coordinates the **EMISSION** project, which involves the development of an integrated air pollution-monitoring platform using IoT networks. Space Hellas is responsible for the development of the Central Platform for the collection, processing and presentation information system.
- Coordinates the **E-polimorfismo** project, co-funded by the region of Epirus. The project is an e-health platform for the care of patients with chronic kidney disease, while Space Hellas focuses on the development of the central software and database platform.

- Actively participates in the **AVINT** project, which involves the integration of automobiles into the urban transport web. The object of Space Hellas is the Network Infrastructure and Control Center that will support the operation of the vehicles.
- Coordinates, the **OCTANT** project, for the development of an integrated solution for the supervision of a merchant fleet in the field of shipping.

#### 2.4.5 INTERNATIONAL PRESENCE

The Group's activity in the **international markets** is still a steady course without being particularly affected by the impact of the pandemic. Despite the severe restrictions and the difficulties of moving to several foreign countries, the type of activity, the remote access and communication, as well as the international collaborations of the group, ensure the smooth continuation of the operations in the subsidiaries in Cyprus, Malta, Serbia, and Jordan, and global business as well with an emphasis on telecommunications services. The updated list of projects abroad is as follows:

- **In Cyprus,**
  - Continuation of 13 years of service to the Department of Meteorology for the project "Provision of Meteorological Radar Services" for the Government of the Republic of Cyprus, Ministry of Agriculture, Rural Development and Environment
  - Continue to provide online crime prevention services through the WEB-IQ Voyager platform for the Cyprus Police.
  - Support for the ticketing and access control system at the GSP stadium in Nicosia.
  - Evaluation of an offer to the Cyprus Police for space surveillance systems.
  - Evaluation of tenders for HERMES (Larnaca and Pafos Airport Administrator) for the supply of:
    - Supplying an NMS platform.
    - Upgrading network infrastructure.
  - Participation as a subcontractor in the competition Integrated Municipality System **5.7 million euros**
  - Preparation for participation in the competition for the Access control system of the Limassol Casino **1 million euros**
  - Participation in the bid for the Cyprus Trading Corporation, Azure Stack Appliance of **200 thousand euros**.
- **In Malta:**
  - Continue the 7-year hybrid cloud service contract with the Maltese Government (MITA: Malta IT Agency)
  - Evaluation of offers for IT security system to a customer of the hotel market.
  - Preparing to participate in the competition for the new AFIS system of the Malta Police.
  - Participation in RFI for MITA's new AIOps system.
  - Participation in RFI for email security solution of MITA.
- **In Jordan,**
  - Provision of telecommunication services through the subsidiary company Space Arab Levant Technologies
- **In Germany,**
  - Provision of telecommunications services and interconnection with international data networks and cloud providers.

#### 2.4.6 PERSPECTIVES

IT, telecommunications and security market, where SPACE HELLAS operates, and in particular the process of transition to the digital age of medium and large organisations, private and public, is not expected to be affected in the long run by the spread of COVID-19 pandemic, but on the contrary, seems to be growing rapidly in some areas and under certain conditions can accelerate market growth and create new business opportunities.

Now, however, the second wave of COVID-19 spread is already underway in many parts of the world, and the new restrictive measures and lockdowns are imminent. For this reason, it is not possible to have a clear forecast for the end of international emergency measures, the return to normality and consequently the market conditions for the second half of the year and the timelines for the execution of the significant projects.

Based on these data, and adapting to the new conditions, the management of the group continues with careful steps the development course of SPACE HELLAS, which, as reflected in the financial results of the first half of 2020 is steadily evolving, strengthens human resources, infrastructure and know-how, to adequately respond to essential projects in progress, but also new contracts in the near future. At the same time, now has 32.28% of the Dutch company **Web-IQ** that is active in the market of big data & cybersecurity, it continued its investment activity in new

markets such as that of intelligent agriculture by acquiring a total of 35% of the existing shares in Greece. **Agroapps** company in 2020.

The management of SPACE HELLAS estimates that there are significant prospects for the development of the group in the coming years, without being able to accurately determine at this time the timing, with which they will be reflected in its financial results. In addition, it explores synergies and possible participation in software companies that complement its products and services and strengthen its market position.

## 2.5 RISK MANAGEMENT AND HEDGING POLICY

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

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

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

The Group is exposed to the following:

### □ Financial Risk Factors

The Group is exposed to various financial risks, including unpredictable fluctuations in exchange rates and interest rates, market risks, credit risks and liquidity risks. The overall risk management program of the Group seeks to minimize the possible adverse effects of these fluctuations on the financial performance of the Group.

Risk management policy is applied by the Group's management, through the assessment of the risks associated with the Group's activities, functions, and carry out the design of the methodology by selecting the appropriate financial products in order to achieve risk reduction.

The financial instruments used by the Group consist mainly of bank deposits, transactions in foreign currency at current prices or short-term currency futures, bank overdrafts, accounts receivable and payables.

### □ Foreign Exchange Risk

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

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

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

Currency	30.06.2020		30.06.2019	
	Exchange rate variation	Effect on profit before tax	Exchange rate variation	Effect on profit
USD	8%	-440	7%	-400
	-8%	440	-7%	400

### □ Price Risk

The Group is not exposed to securities price risk. The Group is exposed to risk due to the variations of the value of the goods used for trade and of the raw materials used. In order to face the risk of impairment of inventories,

rationalized warehouse management aims to minimize the stock according to the progress of the production needs. We aim to minimize the warehouse retention time in order to minimize the risk of impairment of inventories.

□ **Interest Rate Risk**

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

It is the Group's policy to continually monitor interest rate trends and the level of financing needs. In this respect, decisions, about the duration as well as, the relationship between fixed and floating costs of a new loan are made on a case-by-case basis. Thus, the amount of short-term borrowings is variable. All short-term borrowings are based on floating rates. Consequently, the impact of the interest rate (EURIBOR) fluctuations is directly related to the amount of loans.

The period we are going through is characterised as a period of zero and negative interest rates. Recently, the U.S.A. sided with this policy with continuous interest rate cuts. Thus, careful monitoring and interest risk management decrease the risk of significant impact on profits due to short-term fluctuations.

Sensitivity Analysis of the Group's Loans to Interest Rate Changes

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

Currency	30.06.2020		30.06.2019	
	Interest rate variation	Effect on profit before tax	Interest rate variation	Effect on profit before tax
euro	1%	-140	1%	-230
	-1%	140	-1%	230

□ **-Credit Risk**

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

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

To minimize the credit risk on cash and cash equivalents, the Group under policies approved by the Board of Directors sets limits on the amount to be exposed. Also, with regard to money market instruments, the Group only does business with recognized financial rating institutions. Regarding the effect of the coronavirus, the Group's estimates are reported below in a special paragraph of chapter 2.5

□ **-Liquidity Risk**

Bank financing (focusing on on-the-project basis funding), which is based on the excellent relationship the company has with the largest credit institutions in the country and provides sufficient credit lines to finance our business plans.

In addition, excellent relationships with our suppliers, which are based on long-lasting, reliable and stable relationship, provide us with significant help in trying to smooth cash flow. Capital controls did not materially affect the aforementioned relationships.

The table below summarizes the maturity profile of financial liabilities for the 30.6.2020 and 31.12.2019, respectively.

Amounts in € thousand	<b>Group</b>							
	<b>Total</b>		<b>Less than 1 Year</b>		<b>1 to 5 years</b>		<b>&gt;5years</b>	
	<b>30.06.2020</b>	<b>31.12.2019</b>	<b>30.06.2020</b>	<b>31.12.2019</b>	<b>30.06.2020</b>	<b>31.12.2019</b>	<b>30.06.2020</b>	<b>31.12.2019</b>
Borrowings	<b>29.070</b>	<b>24.989</b>	9.552	9.682	13.418	12.277	6.100	3.030
Lease liabilities	<b>1.336</b>	<b>1.375</b>	729	192	607	1.183	0	0
Trade and other payables	<b>18.990</b>	<b>24.800</b>	18.984	24.794	-	-	6	6

Amounts in € thousand	<b>Company</b>							
	<b>Total</b>		<b>Less than 1 Year</b>		<b>1 to 5 years</b>		<b>&gt;5years</b>	
	<b>30.06.2020</b>	<b>31.12.2019</b>	<b>30.06.2020</b>	<b>31.12.2019</b>	<b>30.06.2020</b>	<b>31.12.2019</b>	<b>30.06.2020</b>	<b>31.12.2019</b>
Borrowings	<b>29.070</b>	<b>24.989</b>	9.552	9.682	13.418	12.277	6.100	3.030
Lease liabilities	<b>1.329</b>	<b>1.363</b>	722	182	607	1.181	0	0
Trade and other payables	<b>18.855</b>	<b>24.577</b>	18.849	24.571	0	0	6	6

#### □ Capital Management

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

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

Amounts in € thousand	<b>Group</b>		<b>Company</b>	
	<b>30.06.2020</b>	<b>31.12.2019</b>	<b>30.06.2020</b>	<b>31.12.2019</b>
Short term Borrowings	9.552	9.682	9.552	9.682
Long term Borrowings	19.518	15.307	19.518	15.307
<b>Less: cash and cash equivalents</b>	<u>-9.266</u>	<u>-17.082</u>	<u>-8.735</u>	<u>-16.281</u>
<b>Net Debt</b>	<b>19.804</b>	<b>7.907</b>	<b>20.335</b>	<b>8.708</b>
Equity	<u>17.364</u>	<u>16.390</u>	<u>16.682</u>	<u>15.391</u>
<b>Total capital employed</b>	<b>37.168</b>	<b>24.297</b>	<b>37.017</b>	<b>24.099</b>
<b>Gearing ratio</b>	<b>53,28%</b>	<b>32,54%</b>	<b>54,93%</b>	<b>36,13%</b>

The increase in leverage is due both to the continuous growth of the company which inevitably affects long-term borrowing and to the increase in turnover with integration projects of longer maturity that affect the increased customer balances at the expense of cash. This is a phenomenon that occurs in our company every six months and then normalizes at the end of each year as cost and pricing flow converge, especially as a reference to maintenance contracts.

#### □ Risk of COVID-19 spread

The fact that we are already in the first stage of a second round of the pandemic, which may intensify in the winter and we are not yet sure about the timing of the availability of effective vaccines and drugs, creates new negative, social and economic conditions for the near future and its prospects as well as significant risks and uncertainties, at least in the short term.

Governments around the world have reacted swiftly to prevent the worst of the effects of the pandemic and the economic impact of the lock-down, by taking fiscal measures to support liquidity, businesses and household income.

In addition, central banks and regulators have globally streamlined banks' capital requirements, as well as taking unprecedented measures to support the liquidity of the State, banks and businesses.

Nevertheless, the global recession is estimated to be large for 2020 (between 4% -5%), while in Greece it is estimated that the recession will be between -7% and -10%, while there is great uncertainty about the speed and pace of economic recovery in 2021.

Space Hellas group, in the context of its obligation to disclose information (market disclosure), considers that at this stage there is no significant impact on its fundamental figures as well as on its financial situation. Uncertainty, however, persists and we will therefore continually review the data and provide further information whenever necessary.

In particular, most of the group's activity is carried out with large and medium-sized customers operating in industries with different, in terms of demand for IT products and network equipment, the possible impact from Covid-19, taking into account that due to the current situation needs for communication and interoperability have instead increased. The group and the company equally evaluate the ability to respond to both potential increased demand and reduced lead-time to meet increased maintenance and / or infrastructure improvement needs in response to the collective effort to address the pandemic, given that in many cases electronic Communications are the only means of operation and communication and as such are given priority.

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

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

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

The following additional actions have also been taken:

- ❑ back-up arrangements in case employees who are responsible for health and safety are unable to perform their roles.
- ❑ Special arrangements for employees belonging to vulnerable groups.
- ❑ Establishing policies for the self-isolation of staff.
- ❑ Establish procedures that require staff to report symptoms or absences, and report possible infection or exposure to the virus (including private travel to high-risk areas) or concerns about others they may have come to workplace contact.
- ❑ Practices of regular disinfection in all workplaces.
- ❑ providing staff with appropriate personal protective equipment.

Finally, the company is actively involved in actions that are part of the national effort to address the pandemic.

In addition to the ongoing management of operational risk due to the Covid-19 pandemic, an increased monitoring system was put in place to protect the group's financial position.

- ❑ The investment plan for the year 2020 has been carefully re-evaluated and will be re-evaluated according to the developments of the current situation.
- ❑ A new cost reduction program was designed and implemented in areas where the company's functionality is not significantly affected.

The Group maintains a restrained attitude regarding the timing of the execution of the projects it has already undertaken or will undertake during the year, as in addition to any other unforeseen factors, the spread of the coronavirus in Greece may affect the domestic IT market due to possible delays in the acquisition of equipment from abroad, as well as because some business groups may delay the launch of their investment projects on the technology front for some time and may affect the speed of government mechanisms in promoting public works.

The above are important mitigating factors of the risk involved in the uncertainty for the development of the situation but also maintaining the competitive position of the group in each of its areas of activity.

The above planning resulted in the reduction of the potential financial impact on the results so far.

Any further implications will depend, to a large extent, on future developments.

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

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

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

However, given that the phenomenon continues to be in full development, and although we do not see today a significant impact on the fundamental size of the group, its quantitative and qualitative consequences on the operation of the group and the company cannot be estimated at present. More estimates that are reliable will be presented in the Annual Financial Statements.

## 2.6 GOING CONCERN

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

## 2.7 CORPORATE GOVERNANCE STATEMENT

### 1. Corporate Governance Code Applied

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

The Corporate Governance Code is prepared by the Board of Directors of the company. After approval by the Board of Directors the code is uploaded on the company's website of the company in a non-editable format.

The Corporate Governance Code comes into effect from its upload to the company's website <http://www.space.gr>.

## 2.8 CERTIFICATIONS – QUALITY POLICY

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

Space Hellas certifications are presented (in alphabetical order):



- BT Alliance Partner



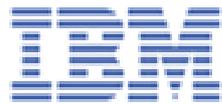
- 3-Star Partner
- Value Added Reseller
- Managed Service Provider
  
- Cisco Gold Certified Partner
- Cisco Advanced Borderless Network
- Architecture Specialized Partner
- Cisco Advanced Collaboration Architecture Specialized Partner
- Cisco Advanced Data Center Architecture Specialized Partner
- Cisco Advanced Security Specialized Partner
- Cisco Routing & Switching Specialized Partner
- Cisco Advanced Unified Communications Specialized Partner
- Cisco WLAN Specialized Partner
- Cisco System Integrator Advanced Unified Fabric Technology Specialization
- Advanced SP Routing Technology Specialization
- ATP - Cisco Application Centric Infrastructure Partner
- Advanced Core and WAN Specialized
- Advanced Unified Computing Technology Specialization
  
- CSN Silver Partner
  
- Platinum Partner
  
- Gold Partner



- HP Business Partner



- Authorized Partner



- Business Partner



- Gold Partner
- Authorized Warranty Service Provider



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



Gold Partner

- NetApp Gold Partner



- Novell Silver Partner



**Specialized**  
Oracle Infrastructure  
as a Service

- Oracle Gold Partner



- Advanced Partner



- Business Partner



- Symantec Gold Certified Partner



- Vanguard Advanced Certified Partner



- VMware Enterprise Partner

- Confidential – NATO SECRET
- Confidential – EU SECRET

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

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

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

In addition, SPACE HELLAS has been certified with the upgraded new version of ISO 20000-1: 2018 of ISO 20000-1: 2015, the international standard for the IT Services Management System, which it has developed, maintained and improved since 2019. ISO/certification IEC 20000 ensures that Space Hellas, in all its points of presence in Greece and abroad, complies and implements all the procedures concerning the management and the continuous improvement of the information and technology services it provides.

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

Space Hellas, in order to better ensure its business continuity and the possibility of recovery from natural or other disasters, has developed and operates a Business Continuity Management System, according to the ISO 22301: 2019 standard. The Business Continuity Management System includes all the company's facilities, in Greece and abroad. It was successfully inspected, and the relevant certificate was issued.

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

Space Hellas considers as a top strategic priority the Health and Safety of its employees, in the performance of their duties as well as the safety and health of its customers and associates. For this reason, it monitors the relevant

legislation and ensures its full observance. In addition, it has developed and maintained an Occupational Health and Safety Management System, which has been certified based on the OHSAS 18001: 2007 standard since 2016, and is re-certified annually for all the company's activities in the offices of Athens and Thessaloniki and from 2018 for Ioannina. In addition, the Company last year upgraded this management system, while since April 2020, it has certified it based on the requirements of the new ISO 45001: 2018 standard.



Cert No. 7421  
 ISO 20000-1:2011



Certification Number 035  
 ISO 27001:2013

## 2.9 CORPORATE SOCIAL RESPONSIBILITY



**Corporate Social Responsibility**

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

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

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

## 2.10 HONORARY SCHOLARSHIPS



The company's management has established two annual Honorary Scholarships in memory of the visionary and founder Dimitris Manolopoulos to support young people, who would like to pursue their studies.

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

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

## 2.11 ENVIRONMENTAL PROTECTION

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

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

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

The dynamic business development of the Group is inseparable from the principles of Corporate Social Responsibility and Sustainable Development. Sustainable Development for the Group means pursuing business leadership with the dedication to corporate vision, with respect to society, the environment, people and its shareholders. The

sustainability policy of the Group is based on the harmonious coexistence of its activities with the needs of the societies in which it operates.

## 2.12 RESEARCH AND DEVELOPMENT

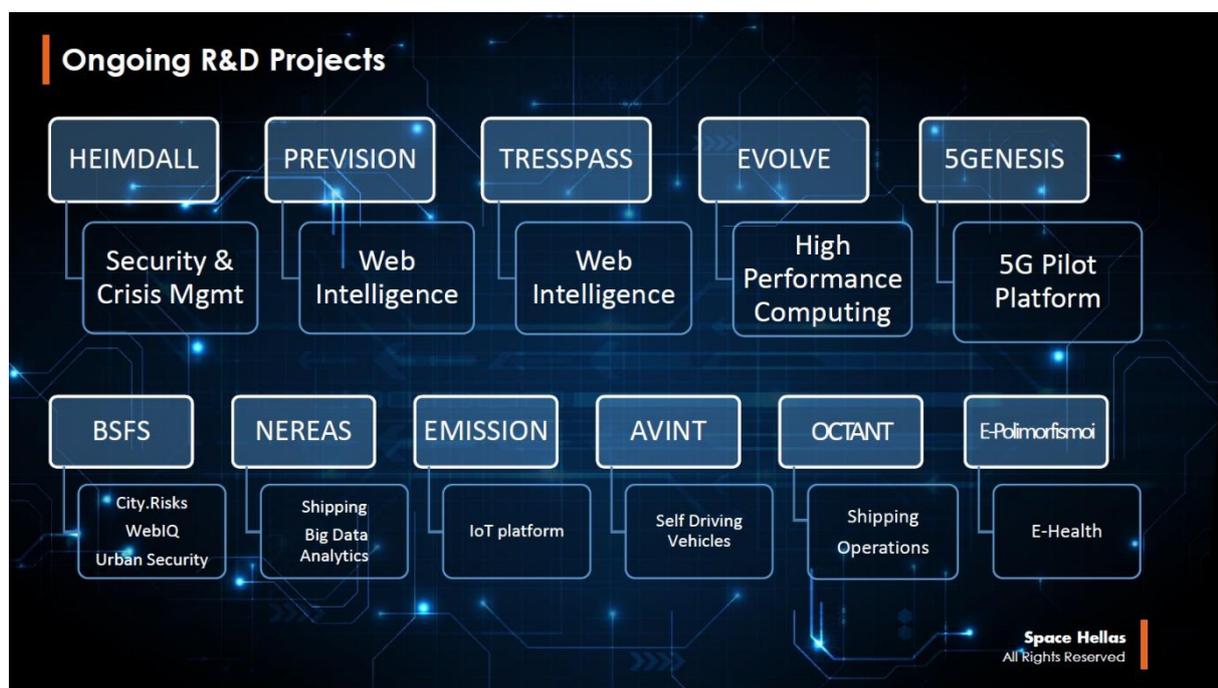
Space Hellas is actively involved in Research & Development (R&D) activities both at European and national level, recognizing the importance of knowledge on the one hand in specialized areas of science and technology and on the other hand the exploitation of technological achievements and new opportunities.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

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

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

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

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



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

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

## 2.13 IMPORTANT TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES

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

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

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

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

The tables below summarize the transactions and the account balances with related parties carried out during period a'2020 and a'2019, respectively:

Amounts in € thousand	Revenue from dividends		Sales		Income from investment property		Total income-Parent company		Total income-Group	
	30.06		30.06		30.06		30.06		30.06	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
SPACE HELLAS (CYPRUS) LTD	819	449	-	-	-	-	819	449	-	-
SPACE HELLAS (MALTA) LTD	-	-	-	-	-	-	0	0	-	-
SPACE HELLAS D.o.o. BEORGRAD	-	-	-	-	-	-	0	0	-	-
SPACE ARAB LEVANT TECHNOLOGIES LLC	-	-	-	-	-	-	0	0	-	-
<b>Total Subsidiaries</b>	<b>819</b>	<b>449</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>819</b>	<b>449</b>	<b>0</b>	<b>0</b>
Web-IQ B.V.	-	-	91	55	-	-	91	55	91	55
<b>Associates</b>	<b>0</b>	<b>0</b>	<b>91</b>	<b>55</b>	<b>0</b>	<b>0</b>	<b>91</b>	<b>55</b>	<b>91</b>	<b>55</b>
MOBICS S.A.	-	-	-	-	-	-	0	0	0	0
AgroApps PC	-	-	-	-	-	-	0	0	0	0
<b>Total associates</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>819</b>	<b>449</b>	<b>91</b>	<b>55</b>	<b>0</b>	<b>0</b>	<b>910</b>	<b>504</b>	<b>91</b>	<b>55</b>

Amounts in € thousand	Total Company expenses		Total Group expenses	
	30.06		30.06	
	2020	2019	2020	2019
SPACE HELLAS (CYPRUS) LTD	6	-	-	-
SPACE HELLAS (MALTA) LTD	-	-	-	-
SPACE HELLAS D.o.o. BEORGRAD	-	-	-	-
SPACE ARAB LEVANT TECHNOLOGIES LLC	3	-	-	-
<b>Total Subsidiaries</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>0</b>
Web-IQ B.V.	-	5	-	5
<b>Associates</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>5</b>
MOBICS S.A.	-	11	-	11
AgroApps P.C.	-	-	-	-
<b>Total associates</b>	<b>0</b>	<b>11</b>	<b>0</b>	<b>11</b>
	<b>9</b>	<b>16</b>	<b>0</b>	<b>16</b>

Amounts in € thousand	Total Receivables - Company		Total Receivables - Group	
	30.06		30.06	
	2020	2019	2020	2019
SPACE HELLAS (CYPRUS) LTD	400	569	-	-
SPACE HELLAS (MALTA) LTD	-	-	-	-
SPACE HELLAS D.o.o. BEORGRAD	-	-	-	-
SPACE ARAB LEVANT TECHNOLOGIES LLC	-	-	-	-
<b>Total Subsidiaries</b>	<b>400</b>	<b>569</b>	<b>0</b>	<b>0</b>
Web-IQ B.V.	33	11	33	11
<b>Associates</b>	<b>33</b>	<b>11</b>	<b>33</b>	<b>11</b>
MOBICS S.A.	-	-	-	-
AgroApps P.C.	-	-	-	-
SPACE CONSULTING S.A.	0	11	0	11
<b>Total associates</b>	<b>0</b>	<b>11</b>	<b>0</b>	<b>11</b>
	<b>433</b>	<b>591</b>	<b>33</b>	<b>22</b>

Amounts in € thousand	Total Liabilities Company		Total Liabilities Group	
	30.06		30.06	
	2020	2019	2020	2019
SPACE HELLAS (CYPRUS) LTD	6	-	-	-
SPACE HELLAS (MALTA) LTD	-	-	-	-
SPACE HELLAS D.o.o. BEORGRAD	-	-	-	-
SPACE ARAB LEVANT TECHNOLOGIES LLC	3	-	-	-
<b>Total Subsidiaries</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>0</b>
Web-IQ B.V.	-	-	-	-
<b>Associates</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
MOBICS S.A.	-	17	-	17
AgroApps P.C.	-	-	-	-
SPACE CONSULTING S.A.	-	2	-	2
<b>Total associates</b>	<b>0</b>	<b>19</b>	<b>0</b>	<b>19</b>
	<b>9</b>	<b>19</b>	<b>0</b>	<b>19</b>

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

Table of Key management compensation:

Amounts in € thousand	Group		Company	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Salaries and other employee benefits	644	659	644	659
Receivables from executives and members of the Board	2	2	2	2
Payables to executives and member of the Board	35	47	35	47

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

Tables of Guarantees to third parties:

Amounts in € thousand	Group		Company	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Guarantees to third parties on behalf of subsidiaries and joint ventures	33	34	33	34
Used guarantees to third parties on behalf of subsidiaries	0	0	0	0
Bank guarantee letters	33	34	33	34

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

## 2.14 SIGNIFICANT POST-BALANCE SHEET EVENTS

On 26-05-2020, Space Hellas announces the conclusion of an agreement for the investment in "Agricultural Applications PC." with the company name "Agro Apps PC", which is based in Thessaloniki. AgroApps was founded in 2015, with the aim to offer digital solutions for the agricultural sector. Since its inception, AgroApps has invested in the research and development of solutions based on Artificial Intelligence technologies, satellite and meteorological data, advanced mathematical models and crop development models. AgroApps solutions meet both the needs of a small producer and the most demanding needs of companies and public bodies, as they include surveillance and management systems of farms, high-resolution weather forecast, water resources monitoring and control services, services for the agricultural sector as well as personalized solutions for companies and public bodies.

The agreement includes three stages of investment, wherein the first stage on 25-5-2020 Space Hellas acquired 19% of the existing shares of AgroApps, in the second stage on 25-8-2020 exercised the option for the acquisition of additional 16% of the existing shares of AgroApps, and the investment amounted to € 825 thousand. In the third stage, Space Hellas will have the right to acquire an additional 10% of AgroApps through an increase of its share capital, while in case of transformation of AgroApps into a public limited company, Space Hellas will be entitled to appoint one member to its three-member board. If the third stage will be implemented, the total amount of Space Hellas' investment will rise to 45% in AgroApps and will amount to € 1,275,000.

Given the spread of the coronavirus, it is difficult to predict the range of potential effects on the global economy at this point. The results can range from successful virus control and small short-term effects to a prolonged impact that can lead to recession. In addition, governments are implementing policies and fiscal actions aimed at mitigating

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potential negative economic impacts. However, the future impact must be assessed in light of the accounting basis used to prepare these Financial Statements. Regarding the activities of the Group, the Management closely monitors the developments since the outbreak of the pandemic, follows the guidance of the local health authorities and observes the requirements and actions implemented by the authorities. The Group has implemented emergency plans to limit the potential adverse effects on the Group's employees and businesses.

Following the clarifications provided in the above relevant paragraphs for the spread of the coronavirus, which is a non-adjusting event, there are no events subsequent to the financial statements that concern either the Group or the company and in which a reference to International Financial Reporting Standards is required.

Agia Paraskevi, 25 September 2020

The Chairman of Board

S. MANOLOPOULOS

The Board of Directors

### 3 INDEPENDENT AUDITOR'S REVIEW REPORT ON INTERIM FINANCIAL STATEMENTS

To the Shareholders of «SPACE HELLAS S.A.»

#### **REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL INFORMATION**

##### **Introduction**

We have reviewed the accompanying separate and consolidated statement of financial position of "SPACE HELLAS S.A." as at 30 June 2020 and the related separate and consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, as well as the selected explanatory notes comprising the interim condensed financial information, which is an integral part of the six-month financial report of article 5 L. 3556/2007.

Management is responsible for the preparation and presentation of this interim condensed financial information in accordance with International Financial Reporting Standards as adopted by the European Union and applicable to interim financial reporting (International Accounting Standard "IAS 34"). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

##### **Scope of review**

We conducted our review in accordance with the International Standard on Review Engagements (ISRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

##### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34.

##### **Report on other legal and regulatory requirements**

Our review did not identify any inconsistency or non-correspondence of the other information contained in the six-month financial report prepared in accordance with article 5 and 5a of Law 3556/2007, in relation to the accompanying condensed separate and consolidated financial information.

Athens, 28 September 2020  
Certified Public Accountant



**PKF EUROAUDITING S.A.**  
Certified Public Accountants

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

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## 4 FINANCIAL STATEMENTS FOR THE PERIOD FROM 1<sup>ST</sup> JANUARY 2020 TO 30<sup>TH</sup> JUNE 2020

### 4.1 TOTAL COMPREHENSIVE INCOME STATEMENT

#### 4.1.1 INCOME STATEMENT

	NOTES	Group		Company	
		01.01-30.06.2020	01.01-30.06.2019	01.01-30.06.2020	01.01-30.06.2019
<u>Amounts in € thousand</u>					
Revenue	4.6.1	33.043	29.732	31.672	28.450
Cost of sales		-25.966	-21.757	-25.077	-20.963
<b>Gross profit</b>		<b>7.077</b>	<b>7.975</b>	<b>6.595</b>	<b>7.487</b>
Other income	4.6.2	964	681	769	522
Administrative expenses	4.6.3	-2.646	-2.815	-2.582	-2.748
Research and development cost	4.6.3	-621	-580	-621	-580
Selling and marketing expenses	4.6.3	-2.455	-2.612	-2.410	-2.595
Other expenses	4.6.4	-275	-303	-274	-300
<b>Earnings before taxes, investing and financial results</b>		<b>2.044</b>	<b>2.346</b>	<b>1.477</b>	<b>1.786</b>
Interest & other similar income		113	1	113	1
Interest and other financial expenses		-1.167	-1.086	-1.164	-1.084
in subsidiaries - associated companies	4.6.5	72	0	819	449
<b>Profit/(loss) before taxes</b>		<b>1.062</b>	<b>1.261</b>	<b>1.245</b>	<b>1.152</b>
Less: Taxes	4.6.6	-422	-478	-295	-350
<b>Profit after taxes (A)</b>		<b>640</b>	<b>783</b>	<b>950</b>	<b>802</b>
- Equity holders of the parent		640	783	950	802
- Minority Interests in subsidiaries		0	0	-	-
Earnings per share - basic (in €)		0,0991	0,1213	0,1471	0,1242

#### SUMMARY OF INCOME STATEMENT

<b>Profit before interest, taxes, depreciation and amortization (EBITDA)</b>	<b>2.994</b>	<b>3.228</b>	<b>2.416</b>	<b>2.661</b>
<b>Less depreciation</b>	950	882	939	875
<b>Profit before interest and taxes, (EBIT)</b>	<b>2.044</b>	<b>2.346</b>	<b>1.477</b>	<b>1.786</b>
<b>Profit before taxes</b>	<b>1.062</b>	<b>1.261</b>	<b>1.245</b>	<b>1.152</b>
<b>Profit after taxes</b>	<b>640</b>	<b>783</b>	<b>950</b>	<b>802</b>

4.1.2 OTHER COMPREHENSIVE INCOME STATEMENT

<b>Amounts in € thousand</b>	NOTES	<b>Group</b>		<b>Company</b>	
		<b>01.01- 30.06.2020</b>	<b>01.01- 30.06.2019</b>	<b>01.01- 30.06.2020</b>	<b>01.01- 30.06.2019</b>
<b>Profit after taxes (A)</b>		<b>640</b>	<b>783</b>	<b>950</b>	<b>802</b>
- Company Shareholders		640	783	950	802
- Minority Interests in subsidiaries		0	0	-	-
<b>Other comprehensive income after taxes</b>					
<b>Items that might be recycled subsequently</b>					
Currency exchange differences from consolidation of subsidiaries		-7	-2	0	0
<b>Total Items that might be recycled subsequently</b>		<b>-7</b>	<b>-2</b>	<b>0</b>	<b>0</b>
<b>Items that will not be recycled subsequently</b>					
Revaluation of Buildings		472	0	472	0
Deffered tax from revaluation of buildings		-113	0	-113	0
Effect from change in income tax rate on revaluation deferred tax		0	123	0	123
Actuarial losses due to accounting policy change (IAS19)		-24	-29	-24	-29
Actuarial loss taxes		6	8	6	8
<b>Total Items that will not be recycled subsequently</b>		<b>341</b>	<b>102</b>	<b>341</b>	<b>102</b>
<b>Other comprehensive income after taxes (B)</b>		<b>334</b>	<b>100</b>	<b>341</b>	<b>102</b>
<b>Total comprehensive income after taxes (A) + (B)</b>		<b>974</b>	<b>883</b>	<b>1.291</b>	<b>904</b>
- Company Shareholders		974	883	1.291	904
- Minority Interests in subsidiaries		0	0	-	-

**SUMMARY OF OTHER COMPREHENSIVE INCOME STATEMENT**

<b>Profit after taxes</b>	<b>640</b>	<b>783</b>	<b>950</b>	<b>802</b>
<b>Other comprehensive income after taxes</b>	<b>334</b>	<b>100</b>	<b>341</b>	<b>102</b>
<b>Total comprehensive income after taxes</b>	<b>974</b>	<b>883</b>	<b>1.291</b>	<b>904</b>

**Note:**

*Current year*

- The amount of 334 thousand. € after tax, which was recorded directly in equity, includes the net amount after taxes of € 359 thousand, from the revaluation of property, the net amount after taxes of € -18 thousand of actuarial results (IAS 19), and the amount of - 7 thousand € from exchange rate differences of conversion of values into euro.

*Previews year*

- The amount of € 123 thousand posted directly to equity comprises the effect of the change in the income tax rate of the revaluation of property, the net amount after tax of € 21 thousand of actuarial results (IAS 19), and the amount of -2 thousand. € from currency conversion differences to euro.
- IFRS 16 was applied by recognizing its overall effect on the "Retained earnings balance" account without adjusting the comparative amounts for 2018 (note 4.5.3.1).

## 4.2 FINANCIAL POSITION STATEMENT

Amounts in € thousand	notes	Group		Company	
		30.06.2020	31.12.2019	30.06.2020	31.12.2019
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant & equipment	<a href="#">4.6.7</a>	16.217	15.749	16.178	15.706
Rights of use	<a href="#">4.6.9</a>	1.308	1.353	1.301	1.341
Investment properties	<a href="#">4.6.10</a>	0	0	0	0
Goodwill	<a href="#">4.6.11</a>	597	597	597	597
Intangible assets	<a href="#">4.6.8</a>	2.803	2.852	2.768	2.815
Investments in subsidiaries	<a href="#">4.6.13</a>	0	0	34	34
Investments in associates	<a href="#">4.6.13</a>	2.649	2.127	2.554	2.104
Other long term receivables	<a href="#">4.6.14</a>	32	31	32	31
<b>Total Non-current assets</b>		<b>23.606</b>	<b>22.709</b>	<b>23.464</b>	<b>22.628</b>
<b>Current assets</b>					
Inventories	<a href="#">4.6.15</a>	7.094	6.625	7.094	6.625
Trade debtors	<a href="#">4.6.16</a>	18.534	14.722	18.272	14.639
Other debtors	<a href="#">4.6.17</a>	7.176	4.546	7.329	4.297
Financial assets		13	13	13	13
Advanced payments	<a href="#">4.6.18</a>	2.833	3.443	2.791	3.423
Cash and cash equivalents	<a href="#">4.6.19</a>	9.266	17.082	8.735	16.281
<b>Total Current assets</b>		<b>44.916</b>	<b>46.431</b>	<b>44.234</b>	<b>45.278</b>
<b>TOTAL ASSETS</b>		<b>68.522</b>	<b>69.140</b>	<b>67.698</b>	<b>67.906</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to equity holders of the parent</b>					
Share Capital	<a href="#">4.6.20</a>	6.973	6.973	6.973	6.973
Share premium	<a href="#">4.6.21</a>	53	53	53	53
Fair value reserves	<a href="#">4.6.21</a>	2.688	2.329	2.688	2.329
Other Reserves*	<a href="#">4.6.21</a>	973	980	1.040	1.040
Retained earnings*		6.676	6.054	5.928	4.996
<b>Equity attributable to equity holders of the parent</b>		<b>17.363</b>	<b>16.389</b>	<b>16.682</b>	<b>15.391</b>
<b>Minority interests</b>		<b>1</b>	<b>1</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>		<b>17.364</b>	<b>16.390</b>	<b>16.682</b>	<b>15.391</b>
<b>Non-current liabilities</b>					
Other non-current liabilities	<a href="#">4.6.23</a>	6	6	6	6
Long term loans	<a href="#">4.6.22</a>	19.518	15.307	19.518	15.307
Long term leases		607	1.183	607	1.181
Provisions	<a href="#">4.6.28</a>	61	61	61	61
Retirement benefit obligations	<a href="#">4.6.25</a>	916	885	916	885
Deferred income tax liability	<a href="#">4.6.26</a>	785	640	785	640
<b>Total Non-current liabilities</b>		<b>21.893</b>	<b>18.082</b>	<b>21.893</b>	<b>18.080</b>
<b>Current liabilities</b>					
Trade and other payables	<a href="#">4.6.27</a>	16.776	21.986	16.641	21.763
Income tax payable		2.208	2.808	2.208	2.808
Short-term borrowings		9.552	9.682	9.552	9.682
Short term leases		729	192	722	182
<b>Total Current liabilities</b>		<b>29.265</b>	<b>34.668</b>	<b>29.123</b>	<b>34.435</b>
<b>Total Equity and Liabilities</b>		<b>68.522</b>	<b>69.140</b>	<b>67.698</b>	<b>67.906</b>

### 4.3 STATEMENT OF CHANGES IN EQUITY

#### 4.3.1 STATEMENT OF CHANGES IN COMPANY'S EQUITY

Amounts in € thousand	Share Capital	Share premium	Fair value reserves	Treasury shares	Other Reserves	Retained earnings	Total
<b>Balance at 1 January 2019</b>	<b>6.973</b>	<b>53</b>	<b>2.176</b>	<b>0</b>	<b>978</b>	<b>4.236</b>	<b>14.416</b>
Profit for the year	0	0	0	0	0	802	<b>802</b>
Share Capital increase/ (decrease)	0	0	0	0	0	0	<b>0</b>
Dividends distributed (profits)	0	0	0	0	0	0	<b>0</b>
Other reserves	0	0	0	0	0	0	<b>0</b>
Net income recognized directly in equity	0	0	0	0	0	0	<b>0</b>
Revaluation of buldings	0	0	0	0	0	0	<b>0</b>
Tax from Revaluation of buldings	0	0	0	0	0	0	<b>0</b>
Effect of thax rate change in the Deffered taxation	0	0	123	0	0	0	<b>123</b>
Treasury shares purchased	0	0	0	0	0	0	<b>0</b>
Actuarial loss	0	0	0	0	0	-29	<b>-29</b>
Actuarial loss tax	0	0	0	0	0	8	<b>8</b>
<b>Balance at 30 June 2019 (IFRS)</b>	<b>6.973</b>	<b>53</b>	<b>2.299</b>	<b>0</b>	<b>978</b>	<b>5.017</b>	<b>15.320</b>
<b>Balance at 1 January 2020</b>	<b>6.973</b>	<b>53</b>	<b>2.329</b>	<b>0</b>	<b>1.040</b>	<b>4.996</b>	<b>15.391</b>
Profit for the year	0	0	0	0	0	950	<b>950</b>
Share Capital increase/ (decrease)	0	0	0	0	0	0	<b>0</b>
Dividends distributed (profits)	0	0	0	0	0	0	<b>0</b>
Other reserves	0	0	0	0	0	0	<b>0</b>
Net income recognized directly in equity	0	0	0	0	0	0	<b>0</b>
Revaluation of buldings	0	0	472	0	0	0	<b>472</b>
Tax from Revaluation of buldings	0	0	-113	0	0	0	<b>-113</b>
Effect of thax rate change in the Deffered taxation	0	0	0	0	0	0	<b>0</b>
Treasury shares purchased	0	0	0	0	0	0	<b>0</b>
Actuarial loss	0	0	0	0	0	-24	<b>-24</b>
Actuarial loss tax	0	0	0	0	0	6	<b>6</b>
<b>Balance at 30 June 2020 (IFRS)</b>	<b>6.973</b>	<b>53</b>	<b>2.688</b>	<b>0</b>	<b>1.040</b>	<b>5.928</b>	<b>16.682</b>

**Note:**

Current period

□ The amount of € 472 thousand, which was recorded directly in equity, relates to the revaluation of the property based on a study by an independent appraiser with the tax on it amounting to € -113 thousand.

□ The amount after taxes -18 thousand €, which was recorded directly in equity relates to actuarial loss recognized in Other Comprehensive Income (IAS 19).

Previews year

□ The amount of € 123 thousand posted directly to equity comprises the effect of the change in the income tax rate of the revaluation of property.

□ The net amount after tax of € 21 thousand of actuarial results (IAS 19)

### 4.3.2 STATEMENT OF CHANGES IN GROUP'S EQUITY:

<b>Amounts in € thousand</b>	<b>Share Capital</b>	<b>Share premium</b>	<b>Fair value reserves</b>	<b>Treasury shares</b>	<b>Other Reserves</b>	<b>Accumulated profit / (loss)</b>	<b>Total</b>	<b>Non controlling interests</b>	<b>Total net Equity</b>
<b>Balance at 1 January 2019</b>	<b>6.973</b>	<b>53</b>	<b>2.176</b>	<b>0</b>	<b>924</b>	<b>5.011</b>	<b>15.137</b>	<b>2</b>	<b>15.139</b>
Profit for the year	0	0	0	0	0	783	<b>783</b>	0	<b>783</b>
Share Capital increase/ (decrease)	0	0	0	0	0	0	<b>0</b>	0	<b>0</b>
Dividends distributed (profits)	0	0	0	0	0	0	<b>0</b>	0	<b>0</b>
Other reserves	0	0	0	0	0	0	<b>0</b>	0	<b>0</b>
Net income recognized directly in equity	0	0	0	0	-2	0	<b>-2</b>	0	<b>-2</b>
Effect of thax rate change in the Deffered taxation	0	0	123	0	0	0	<b>123</b>	0	<b>123</b>
Treasury shares purchased	0	0	0	0	0	0	<b>0</b>	0	<b>0</b>
Actuarial loss	0	0	0	0	0	-29	<b>-29</b>	0	<b>-29</b>
Actuarial loss tax	0	0	0	0	0	8	<b>8</b>	0	<b>8</b>
<b>Balance at 30 June 2019 (IFRS)</b>	<b>6.973</b>	<b>53</b>	<b>2.299</b>	<b>0</b>	<b>922</b>	<b>5.773</b>	<b>16.020</b>	<b>2</b>	<b>16.022</b>
<b>Balance at 1 January 2020</b>	<b>6.973</b>	<b>53</b>	<b>2.329</b>	<b>0</b>	<b>980</b>	<b>6.054</b>	<b>16.389</b>	<b>1</b>	<b>16.390</b>
Profit for the year	0	0	0	0	0	637	<b>640</b>	0	<b>640</b>
Share Capital increase/ (decrease)	0	0	0	0	0	0	<b>0</b>	0	<b>0</b>
Dividends distributed (profits)	0	0	0	0	0	0	<b>0</b>	0	<b>0</b>
Other reserves	0	0	0	0	0	0	<b>0</b>	0	<b>0</b>
Net income recognized directly in equity	0	0	0	0	-7	0	<b>-7</b>	0	<b>-7</b>
Revaluation of buldings	0	0	472	0	0	0	<b>472</b>	0	<b>472</b>
Tax from Revaluation of buldings	0	0	-113	0	0	0	<b>-113</b>	0	<b>-113</b>
Effect of thax rate change in the Deffered taxation	0	0	0	0	0	0	<b>0</b>	0	<b>0</b>
Treasury shares purchased	0	0	0	0	0	0	<b>0</b>	0	<b>0</b>
Actuarial loss	0	0	0	0	0	-24	<b>-24</b>	0	<b>-24</b>
Actuarial loss tax	0	0	0	0	0	6	<b>6</b>	0	<b>6</b>
<b>Balance at 30 June 2020 (IFRS)</b>	<b>6.973</b>	<b>53</b>	<b>2.688</b>	<b>0</b>	<b>973</b>	<b>6.673</b>	<b>17.363</b>	<b>1</b>	<b>17.364</b>

**Note:**

Current period

- The amount of € 472 thousand, which was recorded directly in equity, relates to the revaluation of property based on a study by an independent appraiser with the tax on it amounting to € -113 thousand.
- The amount after taxes -18 thousand € which was recorded directly in equity relates to actuarial loss recognized in Other Comprehensive Income (IAS 19).
- The amount of € -7 thousand, which was recorded directly in equity, relates to an exchange rate difference of €.

Previews year

- The amount of € 123 thousand posted directly to equity comprises the effect of the change in the income tax rate of the revaluation of property.
- The net amount after tax of € 21 thousand of actuarial results (IAS 19)
- The amount of € -2 thousand charged, net of taxes, directly to the equity, concerns currency exchange differences.

#### 4.4 CASH FLOW STATEMENT

Amounts in € thousand

	Group		Company	
	01.01- 30.06.2020	01.01- 30.06.2019	01.01- 30.06.2020	01.01- 30.06.2019
<b>Cash flows from operating activities</b>				
Profit/(Loss) Before Taxes	1.062	1.261	1.245	1.152
Adjustments for:				
Depreciation & amortization	950	882	939	875
Impairment of assets	-472	0	-472	0
Provisions	69	188	69	188
Foreign exchange differences	-56	-79	-55	-75
Net (profit)/Loss from investing activities	-45	-4	-788	-454
Interest and other financial expenses	1.167	1.087	1.164	1.084
Plus or minus for Working Capital changes:				
Decrease/(increase) in Inventories	-469	-1.283	-469	-1.283
Decrease/(increase) in Receivables	-5.867	75	-6.202	-320
(Decrease)/increase in Payables (excluding banks)	-5.549	-7.415	-4.912	-6.909
Less:				
Interest and other financial expenses paid	-953	-841	-951	-838
Taxes paid	-112	-200	0	0
<b>Total cash inflow/(outflow) from operating activities (a)</b>	<b>-10.275</b>	<b>-6.329</b>	<b>-10.432</b>	<b>-6.580</b>
<b>Cash flow from Investing Activities</b>				
Acquisition of subsidiaries, associated companies, joint ventures and other investments	-450	-1.100	-450	-1.100
Purchase of tangible and intangible assets	-885	-1.623	-884	-1.623
Proceeds from sale of tangible and intangible assets	1	22	1	22
Interest received	0	0	0	0
Dividends received	0	0	419	99
<b>Total cash inflow/(outflow) from investing activities (b)</b>	<b>-1.334</b>	<b>-2.701</b>	<b>-914</b>	<b>-2.602</b>
<b>Cash flow from Financing Activities</b>				
Proceeds of share capital of subsidiary	8.517	4.118	8.517	4.118
Proceeds from Borrowings	-4.436	-883	-4.436	-883
Proceeds from leases	-288	-219	-281	-213
Payments of Borrowings	0	0	0	0
<b>Total cash inflow/(outflow) from financing activities (c)</b>	<b>3.793</b>	<b>3.016</b>	<b>3.800</b>	<b>3.022</b>
<b>Net increase/(decrease) in cash and cash equivalents (a)+(b)+(c)</b>	<b>-7.816</b>	<b>-6.014</b>	<b>-7.546</b>	<b>-6.160</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>17.082</b>	<b>13.158</b>	<b>16.281</b>	<b>12.394</b>
<b>Cash and cash equivalents at end of period</b>	<b>9.266</b>	<b>7.144</b>	<b>8.735</b>	<b>6.234</b>

## 4.5 NOTES ON SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

### 4.5.1 INFORMATION ON SPACE HELLAS S.A

#### 4.5.1.1 General Information

The company operating under the corporate name "SPACE HELLAS S.A", by virtue of the revised Deed of Association (revision date 08.07.2007) and approved by the Ministry of Development (decision K2-10518), was founded in 1985, (Deed of Association, upon the power of attorney n.86369/15.07.1985, approved by the Prefecture of Attiki, EM 4728/1.8.85, and published in the Official Gazette of Greece, (OGG 2929/8.8.85 TAE & EPE). The company's duration has been set to 100 years, and its legal address is 312, Mesogion Ave, Agia Paraskevi, Attica, Greece. On 30.06.2008, the decision of the General Meeting, approved by the Ministerial Decision K2 9624/1-9-2008 (registered in the Societies Anonymes Register at 01.09.2008) and published in the Official Gazette of Greece (FEK 10148/3.9.2008 TAE & EPE), has extended the company up to the year 2049.

The company's S.A. General Commercial Registry Number is 375501000, and the Tax Register Number (VAT) is 094149709. The company's shares are ordinary registered shares and have been listed in ASE since 29.09.2000. Its headquarters are in the municipality of Agia Paraskevi, Attica, 312 Messogion Ave. The URL address is <http://www.space.gr>.

#### 4.5.1.2 Operating Activities

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

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

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

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

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

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

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

#### 4.5.1.3 Board of Directors

On 1-7-2020 the Minutes of the Company's Board of Directors of 18<sup>th</sup> June 2020 was registered in the General Commercial Registry (GEMI) (registration number 2164451) according to which, after the 18-6-2020 Board of Directors Decision (registration number 2164452), the Board of Directors of the company was reconstituted as follows:

- Spyridon D. Manolopoulos, Chairman of the Board, executive member
- Xatzistamatiou N..Theodoros, Vice president non-executive member.
- Panagiotis C. Mpellos, Vice President executive member.
- Ioannis A. Mertzanis Chief Executive Officer, executive member.
- Ioannis A. Doulaveris, executive member
- Paparizou K. Anastasia, executive member.
- Patsouras N. Athanasios independent non-executive member.
- Chatiras I. Emmanuel, independent non-executive member
- Gakis Th. Theodoros, independent non-executive member

The term of office of the members of the Board of Directors is six years, can be extended for extraordinary reasons up to the next General Asselbly, that is , at the latest on 10th September 2026.

#### 4.5.1.4 Group Structure

SPACE HELLAS S.A. is the parent company of the Group. The consolidated financial statements (Group) include the financial statements of the parent Company, its subsidiaries, affiliates and joint ventures. A table showing the Group's investments and the method of consolidation as at 30.06.2020 is presented below:

Corporate name	Country	Sector	Ownership percentage		Consolidation method
			Direct	Indirect	
<b>Subsidiaries</b>					
SPACE HELLAS (CYPRUS) LTD	Cyprus	ICT	100%	-	Full Consolidation
SPACE HELLAS SYSTEM INTEGRATOR S.R.L.	Romania	ICT- Investment Properties	-	99,45%	Full Consolidation
SPACE HELLAS Doo Beograd-Stari Grad	Serbia	ICT	-	100%	Full Consolidation
SPACE HELLAS (MALTA) LTD	Malta	ICT	-	99,98%	Full Consolidation
SPACE ARAB LEVANT TECHNOLOGIES COMPANY	Jordan	ICT	-	100%	Full Consolidation
<b>Associates</b>					
Web-IQ B.V.	Netherlands	Specialised applications	32,28%	-	Equity method
<b>Other investments</b>					
AgroApps Private Company.	Greece	Specialised applications in the agricultural sector	19%	-	-
MOBICS S.A.	Greece	Software Development	18,10%	-	-

#### 4.5.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### 4.5.2.1 Basis of Preparation

The interim financial statements of the first semester 2019 have been prepared in accordance with International Financial Reporting Standards (IFRS) and the International Accounting Standard (IAS) 34 "Interim Financial Reporting".

The accompanying financial statements do not include all the information and notes required in the annual financial statements and should be read in conjunction with the financial statements of the Group and the Company as at 31 December 2018. Nevertheless, the financial statements include selected notes for an explanation of events and transactions that are important to understand the changes in the financial position of the Group and the Company in relation to the latest annual published financial statements.

The accounting policies used for the preparation of the interim condensed financial statements are consistent with those used in the preparation of the Group's annual financial statements for the year ended December 31, 2017, except for the new standards and interpretations adopted, the application of which became mandatory for periods after 1 January 2019.

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

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

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

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

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

#### **4.5.3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS**

##### **New standards and interpretations not yet adopted**

The following new Standards, Interpretations and amendments to Standards have been adopted by the International Accounting Standards Board (IASB), have been adopted by the European Union and are mandatory from 01/01/2020 onwards.

**Revision of the Conceptual Framework of the Financial Report (applicable for annual periods beginning on or after 01/01/2020).** In March 2018, the IASB reviewed the Conceptual Framework of the Financial Report, the purpose of which was to integrate issues, which were not covered, as well as updating and clarifying specific guidance. The revised Financial Reporting Conceptual Framework includes a new chapter on measurement, which analyzes the concept of measurement, including factors to consider when selecting a measurement basis, issues related to presentation and disclosure in the Financial Statements and guidance. Regarding the recognition of assets and liabilities from the Financial Statements. Furthermore, the revised Financial Reporting Conceptual Framework includes improved definitions of assets and liabilities, guidance to assist in the application of these definitions, updating of criteria for the recognition of assets and liabilities, as well as clarifications on areas such as the roles of management, conservatism and uncertainty when measuring financial information. The amendments have no effect on the Group's and Company's Financial Statements.

**Amendments to the Reports of the Conceptual Framework of the Financial Report (applies for annual periods beginning on or after 01/01/2020).** In March 2018, the IASB issued Amendments to the References of the Conceptual Framework of the Financial Report, following its revision. Some Standards include explicit references to earlier versions of the Financial Reporting Conceptual Framework. The purpose of these amendments is to update the above reports and support the transition to the revised Conceptual Framework of the Financial Report. The amendments have no effect on the Group's and Company's Financial Statements.

**Amendments to IAS 1 and IAS 8: "Definition of Essential" (effective for annual periods beginning on or after 01/01/2020).** In October 2018, the IASB issued amendments to the definition of material to make it easier for companies to make a judgment on materiality. The definition of material helps companies decide what information

should be included in their Financial Statements. The new definition amends IAS 1 and IAS 8. The amendments clarify the definition of materiality and how it should be applied, including guidance that has previously been included in other Standards. The amendments have no effect on the Group's and Company's Financial Statements.

[Amendments to IFRS 9, IAS 39 and IFRS 7: "Interest Rate Reference Point Reform" \(effective for annual periods beginning on or after 01/01/2020\)](#). In September 2019, the IASB issued amendments to certain requirements of specific hedge accounting operations in order to mitigate any effects arising from the uncertainty arising from the reform of the Interest Rate Benchmark. The amendments were designed to support the provision of useful financial information by companies during the period of uncertainty resulting from the phasing out of interest rate benchmarks, such as interbank rates. In addition, companies are required to provide additional information to investors regarding hedging relationships that are directly affected by these uncertainty conditions. The amendments have no effect on the Group's and Company's Financial Statements.

[Amendments to IFRS 3: "Definition of a Business" \(effective for annual periods beginning on or after 01/01/2020\)](#). In October 2018, the IASB issued limited-purpose amendments to IFRS 3 to improve the definition of a business. The amendments will help companies determine whether an acquisition is a business combination or an acquisition of assets. The amended definition indicates that the outflow of a business is to provide goods and services to customers, while the previous definition focused on returns in the form of dividends, lower costs or other financial benefits to investors and third parties. In addition to amending the definition of an enterprise, the IASB provides additional guidance through this version. The amendments have no effect on the Group's and Company's Financial Statements.

[New Standards, Interpretations, Revisions and Amendments to Existing Standards which have not yet entered into force or have been adopted by the European Union.](#)

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

[Amendments to IFRS 16 "Leases" Related to Covid-19 Lease Concessions \(effective for annual periods beginning on or after 01/06/2020\)](#). In May 2020, the IASB issued amendments to IFRS 16 which allow lessees not to assess whether a Covid-19 lease is classified as a lease amendment. More specifically, the amendments clarify that in the event that certain conditions are met, lessees are not required to assess whether specific leases related to Covid-19 constitute lease amendments. Instead, lessees applying this practice will adopt an accounting treatment for these leases as non-lease amendments. The above applies to lease concessions related to Covid-19, which reduce lease payments due on or before June 30, 2021. The Group will consider the impact of all of the above on its Financial Statements, although it is not expected to have none. European Union has not adopted the above.

[Amendments to IFRS 4 "Insurance Contracts" - deferral of IFRS 9 \(effective for annual periods beginning on or after 01/01/2021\)](#). In June 2020, the IASB issued amendments amending the date of initial application of IFRS 17 for two years, ie it will apply for annual periods beginning on or after the Semi-Annual Financial Report for the period 55 from 1 January to 30 June 2020 on 1 January 2023. As a result, the IASB has also extended the set deadline for the temporary exemption from the application of IFRS 9 "Financial Instruments" contained in IFRS 4 "Insurance Contracts", resulting in entities are required to apply IFRS 9 for annual periods beginning on or after 1 January 2023. The Group does not expect any impact on its Financial Statements. European Union has not adopted the above.

[Amendments to IAS 1 "Classification of Liabilities as Short-Term or Long-Term" \(effective for annual periods beginning on or after 01/01/2022\)](#). In January 2020, the IASB issued amendments to IAS 1 that affect the presentation requirements. In particular, the amendments clarify one of the criteria for classifying a liability as long-term, the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments include: (a) clarification that an entity's right to defer settlement should exist at the reporting date; (b) clarification that the liability classification is not affected by management 's intentions or expectations regarding the exercise of the deferral (c) explain how lending conditions affect the classification; and (d) clarify the requirements relating to the classification of liabilities of an entity that it is or is likely to settle through the issue of its own equity instruments. The Group will consider the impact of all of the above on its Financial Statements, although they are not expected to have any. European Union has not adopted the above.

[Amendments to IFRS 3 "Business Combinations", IAS 16 "Property, Plant and Equipment", IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" and "Annual Improvements 2018 - 2020" \(effective for annual periods beginning on or after \(01/01/2022\)](#) In May 2020, the IASB issued a series of amendments, including limited-purpose amendments to three Standards, as well as the Council's Annual Improvements. These amendments provide

clarification regarding the wording of the Standards or correct minor consequences, omissions or inconsistencies between the requirements of the Standards. More specifically:

- [Amendments to IFRS 3 Business Mergers](#) update a reference to IFRS 3 in the Conceptual Framework of the Financial Reporting without amending the accounting requirements relating to business combinations.
- [Amendments to IAS 16 "Property, Plant and Equipment"](#) prohibit a company from deducting from the cost of fixed assets amounts received from the sale of items produced during the preparation of such fixed assets to be ready for use. Instead, the company recognizes these sales revenues and related costs in the Income Statement.
- [Amendments to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets"](#) determine the costs that a company should include when assessing whether a contract is loss-making.
- [The Annual Improvements of IFRS - Cycle 2018-2020 make minor amendments to IFRS 1 "First-time Adoption of International Financial Reporting Standards", IFRS 9 "Financial Instruments", IAS 41 "Agriculture" 16 "Leases"](#). The Group will consider the impact of all of the above on its Financial Statements, although they are not expected to have any. European Union has not adopted the above.

[IFRS 17 "Insurance Contracts" \(effective for annual periods beginning on or after 01/01/2023\)](#). In May 2017, the IASB issued a new Standard, IFRS 17, which replaces an intermediate Standard, IFRS 4. The purpose of the IASB project was to develop a single principle-based standard for accounting for all types of insurance contracts, including reinsurance contracts held by an insurance company. A single principle-based Standard will enhance the comparability of financial reporting between entities, jurisdictions and capital markets. IFRS 17 sets out the requirements that an entity should apply to financial information related to the insurance contracts it issues and its reinsurance contracts. In addition, in June 2020, the IASB issued amendments, which, however, do not affect the fundamental principles introduced when IFRS 17 was first adopted. The amendments are designed to reduce costs by simplifying certain requirements of the Standard, facilitate the transition, as well as facilitate the transition by postponing the date of application of the Standard for 2023, while providing additional assistance to reduce the effort required during the first application of the Standard. The Group does not expect to have any impact on its Financial Statements. European Union has not adopted the above.

#### **4.5.3.1 Accounting Methods and Changes**

There are no changes in the accounting policies applied in relation to those used in the preparation of the financial statements as of 31 December 2019.

#### **4.5.3.2 Property, Plant And Equipment**

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

The Group's and Company's Buildings are measured at fair value as at 30.06.2020 based on a valuation performed by independent evaluators.

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

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

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

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

Concessions and industrial property rights are no subject to depreciation because of the difficulty to estimate with accuracy their commercial value.

The useful lives of the assets are as follows:

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

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

#### **4.5.3.3 Investment property**

Investment property is intended to generate rental income or profit from its resale. The properties used for the Group's operating activities are not considered as investment but operational. This is also the criterion of separation between investment and operating real estate.

Investment properties as long-term assets are disclosed at fair value, which will be revalued at each end of the year. Any changes in fair value, which represents the free market price, are recognized in the other income / expense of the income statement.

#### **4.5.3.4 Impairment of Assets**

Assets with an indefinite useful life are not depreciated and are subject to an impairment review annually and when some events suggest that the book value may not be recoverable any resulting difference is charged to the period's results.

Assets that are depreciated are subject to an impairment review when there is evidence that their value will not be recoverable. The recoverable value is the greater between the net sales value and the value in use. An impairment loss is recognized by the company when the book value of these assets (or cash generating unit- CGU) is greater than its recoverable amount.

Net sales value is the amount received from the sale of an asset at an arm's length transaction in which participating parties have full knowledge and participate voluntarily, after deducting any additional direct cost for the sale of the asset, while value in use is the present value of estimated future cash flows that are expected to flow into the company from the use of the asset and from its disposal at the end of its estimated useful life.

#### **4.5.3.5 Goodwill**

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiary, joint venture and associate at the date of acquisition.

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

#### 4.5.3.6 Consolidation

##### □ Subsidiaries

Subsidiaries are entities (including special purpose entities) in which the Group has an interest of more than one-half of the voting rights or otherwise has the power to govern the financial and operating policies.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries. Note 1.6(a) outlines the accounting policy on goodwill. The cost of an acquisition is measured as the sum of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued by the Group, in exchange for control of the acquired plus any costs directly attributable to the acquisition. The acquired identifiable assets, liabilities and contingent liabilities are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interests.

The excess of the cost of acquisition over the fair value of the net assets of the subsidiary acquired is recorded as goodwill. Where the cost of the acquisition is less than the fair value of the Group's share of the net assets of the subsidiary acquired, the difference is recognized directly in the income statement.

Inter-company transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated unless cost cannot be recovered. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

##### □ Associates

Associates are entities over which the Group generally has between 20% and 50% of the voting rights, or over which the Group has significant influence, but which it does not control. Investments in associates are accounted for by the equity method of accounting and are initially recognized at cost. The Group's investment in associates includes goodwill (net of any cumulative impairments losses) identified in the acquisition.

Under this method, the Group's share of the post-acquisition profits or losses of associates is recognized in the income statement, and its share of post-acquisition movements in other reserves is recognized in other reserves. The cumulative post-acquisition movements in balance sheet assets and liabilities are adjusted against the carrying amount of the investment.

##### □ Joint Ventures

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

##### □ Other investments

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

#### 4.5.3.7 Inventories

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

#### 4.5.3.8 Trade Receivables - Impairment

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

The trade and other receivables of both the Company and the Group, except those for which a provision has been formed, are considered all collectable.

#### 4.5.3.9 Cash and Cash equivalents

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

#### 4.5.3.10 Statutory Reserves

**Legal Reserve:** the company is obliged according to the applicable commercial law 2190/1920 art. 44 and 45 to form as the legal reserve of 5% of their annual net profits up to 1/3 of the paid-up share capital. This reserve cannot be distributed during the operational life of the company but can be used to cover losses.

Based on existing Greek tax law, tax-exempt reserves under special laws are exempt from income tax, provided that they are not distributed to shareholders. The Group does not intend to distribute these reserves and has thus not provided for the tax liability that would arise in the event that these reserves were to be distributed. Any distribution from these reserves can only occur following the approval of shareholders in a general meeting and after the applicable taxation is paid by the Company.

**Tax exempted reserves:** These reserves are formed when there are:

**Tax exempted Earnings,** in accordance with the applicable tax framework in Greece. In case of distribution of these gains, these will be taxable at the corporate tax rate in force at the time of distribution to shareholders or converted to equity after the Annual General Meeting of shareholders taking into account the restrictions that may apply every time.

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

#### 4.5.3.11 Share Capital

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

#### 4.5.3.12 Revenue and Expense Recognition

##### Revenue:

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

- Recognition of contracts with customers
- Recognition of the terms of contract execution
- Determining the transaction price
- Allocation of the transaction price according to the terms of contract execution
- Recognition of revenue when the Company fulfils the conditions for performance of the contracts

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

**Interest income:** This income is recognized proportionally according to maturity and using the effective rate.

**Dividends:** Dividends are recognized according to the maturity for collection rights.

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

#### 4.5.3.13 Research and Development expenses

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

#### 4.5.3.14 Grants

Grants are recognized at their fair value when it is probable that the amount of the subsidy will be received and the company has complied or will comply with the terms of the Grant.

State subsidies regarding expenses are deferred and recognized in the Profit and Loss Statement so as to correspond to the expenses they are designated to indemnify.

#### 4.5.3.15 Financial instruments – Fair Value

The Group and the Company use the following hierarchy to determine and disclose the fair value of financial instruments on a valuation basis:

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

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

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

Techniques used to measure financial assets include:

- market prices or quotes for similar items.
- Fair value of commodities hedging transactions which is determined as the present value of future cash flows (based on available performance trends).

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

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

#### 4.5.3.16 Provisions

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

The Group recognizes a provision for onerous contracts when the expected benefits to be derived from a contract are less than the unavoidable costs of meeting the obligations under the contract.

Restructuring provisions comprise lease termination penalties and employee termination payments and are recognized in the period in which the Group becomes legally or constructively committed to payment. Costs related to the ongoing activities of the Group are not provided in advance.

Long-term provisions are determined by discounting the expected future cash flows and taking risks specific to the liability into account.

#### 4.5.3.17 Borrowings

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

#### 4.5.3.18 Employee Benefits

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

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

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

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

#### 4.5.3.19 Leases

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

#### 4.5.3.20 Income Tax & Deferred Tax

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

#### 4.5.3.21 Foreign Currency Transactions

Items included in the financial statements of each entity in the Group are measured in the functional currency, which is the currency of the primary economic environment in which each Group entity operates. The consolidated financial statements are presented in Euros, which is the functional, and presentation currency of the Company and the presentation currency of the Group.

Gains or losses resulting from foreign currency re-measurements are reflected in the accompanying statements of income. Gains or losses resulting from transactions are also reflected in the accompanying statements of income. Exchange differences arising from conversion of financial statements in foreign subsidiaries are recognized in equity reserve through the statement of other comprehensive income.

#### 4.5.3.22 Financial instruments

##### Financial instruments at fair value

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

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

#### 4.5.3.23 Financial Risk Management

##### Financial Risk Factors

The Group is exposed to various financial risks, including unpredictable fluctuations in exchange rates and interest rates, market risks, credit risks and liquidity risks. The overall risk management program of the Group seeks to minimize the possible adverse effects of these fluctuations on the financial performance of the Group.

Risk management policy is applied by the Group's management, through the assessment of the risks associated with the Group's activities, functions, and carry out the design of the methodology by selecting the appropriate financial products in order to achieve risk reduction.

The financial instruments used by the Group consist mainly of bank deposits, transactions in foreign currency at current prices or short-term currency futures, bank overdrafts, accounts receivable and payables.

□ **Foreign Exchange Risk**

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

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

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

Currency	30.06.2020		30.06.2019	
	Exchange rate variation	Effect on profit before tax	Exchange rate variation	Effect on profit
USD	8%	-440	7%	-400
	-8%	440	-7%	400

□ **Price Risk**

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

□ **Interest Rate Risk**

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

It is the Group's policy to continually monitor interest rate trends and the level of financing needs. In this respect, decisions, about the duration as well as, the relationship between fixed and floating costs of a new loan are made on a case-by-case basis. Thus, the amount of short-term borrowings is variable. All short-term borrowings are based on floating rates. Consequently, the impact of the interest rate (EURIBOR) fluctuations is directly related to the amount of loans.

The period we are going through is characterised as a period of zero and negative interest rates. Recently, the U.S.A. sided with this policy with continuous interest rate cuts.

Thus, careful monitoring and interest risk management decrease the risk of significant impact on profits due to short-term fluctuations.

Sensitivity Analysis of the Group's Loans to Interest Rate Changes

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

Currency	30.06.2020		30.06.2019	
	Interest rate variation	Effect on profit before tax	Interest rate variation	Effect on profit before tax
euro	1%	-140	1%	-230
	-1%	140	-1%	230

□ **Credit Risk**

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

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

To minimize the credit risk on cash and cash equivalents, the Group under policies approved by the Board of Directors sets limits on the amount to be exposed. Also, with regard to money market instruments, the Group only does business with recognized financial rating institutions. Regarding the effect of the coronavirus, the Group's estimates are reported below in a special paragraph of chapter 2.5

□ **Liquidity Risk**

Bank financing (focusing on on-the-project basis funding), which is based on the excellent relationship the company has with the largest credit institutions in the country and provides sufficient credit lines to finance our business plans.

In addition, excellent relationships with our suppliers, which are based on long-lasting, reliable and stable relationship, provide us with significant help in trying to smooth cash flow. Capital controls did not materially affect the aforementioned relationships.

The table below summarizes the maturity profile of financial liabilities for the 30.6.2020 and 31.12.2019, respectively.

	<b>Group</b>							
	<b>Total</b>		<b>Less than 1 Year</b>		<b>1 to 5 years</b>		<b>&gt;5years</b>	
	30.06.2020	31.12.2019	30.06.2020	31.12.2019	30.06.2020	31.12.2019	30.06.2020	31.12.2019
Amounts in € thousand								
Borrowings	<b>29.070</b>	<b>24.989</b>	9.552	9.682	13.418	12.277	6.100	3.030
Lease liabilities	<b>1.336</b>	<b>1.375</b>	729	192	607	1.183	0	0
Trade and other payables	<b>18.990</b>	<b>24.800</b>	18.984	24.794	-	-	6	6

	<b>Company</b>							
	<b>Total</b>		<b>Less than 1 Year</b>		<b>1 to 5 years</b>		<b>&gt;5years</b>	
	30.06.2020	31.12.2019	30.06.2020	31.12.2019	30.06.2020	31.12.2019	30.06.2020	31.12.2019
Amounts in € thousand								
Borrowings	<b>29.070</b>	<b>24.989</b>	9.552	9.682	13.418	12.277	6.100	3.030
Lease liabilities	<b>1.329</b>	<b>1.363</b>	722	182	607	1.181	0	0
Trade and other payables	<b>18.855</b>	<b>24.577</b>	18.849	24.571	0	0	6	6

□ **Capital Management**

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

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

Amounts in € thousand	Group		Company	
	30.06.2020	31.12.2019	30.06.2020	31.12.2019
Short term Borrowings	9.552	9.682	9.552	9.682
Long term Borrowings	19.518	15.307	19.518	15.307
<b>Less: cash and cash equivalents</b>	<u>-9.266</u>	<u>-17.082</u>	<u>-8.735</u>	<u>-16.281</u>
<b>Net Debt</b>	<b>19.804</b>	<b>7.907</b>	<b>20.335</b>	<b>8.708</b>
Equity	<u>17.364</u>	<u>16.390</u>	<u>16.682</u>	<u>15.391</u>
<b>Total capital employed</b>	<b>37.168</b>	<b>24.297</b>	<b>37.017</b>	<b>24.099</b>
<b>Gearing ratio</b>	<b><u>53,28%</u></b>	<b><u>32,54%</u></b>	<b><u>54,93%</u></b>	<b><u>36,13%</u></b>

The increase in leverage is due both to the continuous growth of the company which inevitably affects long-term borrowing and to the increase in turnover with integration projects of longer maturity that affect the increased customer balances at the expense of cash. This is a phenomenon that occurs in our company every six months and then normalizes at the end of each year as cost and pricing flow converge, especially as a reference to maintenance contracts.

#### □ Risk of COVID-19 spread

The fact that we are already in the first stage of a second round of the pandemic, which may intensify in the winter and we are not yet sure about the timing of the availability of effective vaccines and drugs, creates new negative, social and economic conditions for the near future and its prospects as well as significant risks and uncertainties, at least in the short term.

Governments around the world have reacted swiftly to prevent the worst of the effects of the pandemic and the economic impact of the lock-down, by taking fiscal measures to support liquidity, businesses and household income.

In addition, central banks and regulators have globally streamlined banks' capital requirements, as well as taking unprecedented measures to support the liquidity of the State, banks and businesses.

Nevertheless, the global recession is estimated to be large for 2020 (between 4% -5%), while in Greece it is estimated that the recession will be between -7% and -10%, while there is great uncertainty about the speed and pace of economic recovery in 2021.

Space Hellas group, in the context of its obligation to disclose information (market disclosure), considers that at this stage there is no significant impact on its fundamental figures as well as on its financial situation. Uncertainty, however, persists and we will therefore continually review the data and provide further information whenever necessary.

In particular, most of the group's activity is carried out with large and medium-sized customers operating in industries with different, in terms of demand for IT products and network equipment, the possible impact from Covid-19, taking into account that due to the current situation needs for communication and interoperability have instead increased. The group and the company equally evaluate the ability to respond to both potential increased demand and reduced lead-time to meet increased maintenance and / or infrastructure improvement needs in response to the collective effort to address the pandemic, given that in many cases electronic Communications are the only means of operation and communication and as such are given priority.

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

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

Business travel outside Greece have stopped since the beginning of March and have been kept to a minimum within Greece, and high-tech systems are being used for remote work (teleworking). Additional human resource planning

has also been put in place for staff performing critical operations for operational continuity in order to minimize the risk of downtime and ensure operational continuity.

The following additional actions have also been taken:

- back-up arrangements in case employees who are responsible for health and safety are unable to perform their roles.
- Special arrangements for employees belonging to vulnerable groups.
- Establishing policies for the self-isolation of staff.
- Establish procedures that require staff to report symptoms or absences, and report possible infection or exposure to the virus (including private travel to high-risk areas) or concerns about others they may have come to workplace contact.
- Practices of regular disinfection in all workplaces.
- providing staff with appropriate personal protective equipment.

Finally, the company is actively involved in actions that are part of the national effort to address the pandemic.

In addition to the ongoing management of operational risk due to the Covid-19 pandemic, an increased monitoring system was put in place to protect the group's financial position.

- The investment plan for the year 2020 has been carefully re-evaluated and will be re-evaluated according to the developments of the current situation.
- A new cost reduction program was designed and implemented in areas where the company's functionality is not significantly affected.

The Group maintains a restrained attitude regarding the timing of the execution of the projects it has already undertaken or will undertake during the year, as in addition to any other unforeseen factors, the spread of the coronavirus in Greece may affect the domestic IT market due to possible delays in the acquisition of equipment from abroad, as well as because some business groups may delay the launch of their investment projects on the technology front for some time and may affect the speed of government mechanisms in promoting public works.

The above are important mitigating factors of the risk involved in the uncertainty for the development of the situation but also maintaining the competitive position of the group in each of its areas of activity.

The above planning resulted in the reduction of the potential financial impact on the results so far.

Any further implications will depend, to a large extent, on future developments.

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

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

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

However, given that the phenomenon continues to be in full development, and although we do not see today a significant impact on the fundamental size of the group, its quantitative and qualitative consequences on the operation of the group and the company cannot be estimated at present. More estimates that are reliable will be presented in the Annual Financial Statements.

□ **Other operational risk**

The Management of the company has in place a reliable system of internal control for the detection of malfunctions and exceptions in the context of its commercial operations. Insurance coverage for property and other risks is considered adequate. The Group and the Company will not face significant risks in the short term in general. The specialized know-how of the company and the group, the continuous investment in highly specialized human resources and the strong infrastructure in combination with the development of new products help and support the Group so that it is constantly competitive and penetrates new markets, reducing its risks from the competition.

## 4.6 NOTES TO THE ANNUAL FINANCIAL STATEMENTS OF FIRST SEMESTER 2020

### 4.6.1 OPERATING SEGMENTS

**Business segment** is a distinct part of the Company and the Group, which provides products and services subject to different grades of risk and performance that is different from those of other business segments.

**Geographical segments** provide products or services within a particular economic environment that is subject to risks and performances that are different from those of components operating in other economic environments. The Group and the company's segments are based on the products and services provided.

#### □ Primary segment – Business segments

The Group organizes its activities in three segments:

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

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

	Technology Solutions and Services			Integration projects			Mobile telecommunications			Total		
	30.06			30.06			30.06			30.06		
	2020	2019	+/-%	2020	2019	+/-%	2020	2019	+/-%	2020	2019	+/-%
Amounts in € thousand												
<b>Revenue</b>	29.493	26.010	13,39%	2.900	3.021	-4,01%	650	701	-7,28%	<b>33.043</b>	<b>29.732</b>	11,14%
<b>Gross profit</b>	6.072	6.850	-11,36%	796	895	-11,06%	209	230	-9,13%	<b>7.077</b>	<b>7.975</b>	-11,26%
<b>EBIT</b>	2.507	2.746	-8,70%	393	395	-0,51%	94	87	8,05%	<b>2.994</b>	<b>3.228</b>	-7,25%
<b>Earnings before taxes</b>	-	-	-	-	-	-	-	-	-	<b>1.062</b>	<b>1.261</b>	-15,78%
<b>Earnings after taxes</b>	-	-	-	-	-	-	-	-	-	<b>640</b>	<b>783</b>	-18,26%

#### □ Secondary segment – Geographical segment

The Group's main geographical space is Greece, where the parent company's registered office is located.

The subsidiary company «SPACE HELLAS CYPRUS LTD», has its registered offices in Cyprus and is a parent of subsidiaries

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

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

#### 4.6.2 OTHER OPERATING INCOME

Amounts in € thousand	Group		Company	
	01.01 - 30.06.2020	01.01 - 30.06.2019	01.01 - 30.06.2020	01.01 - 30.06.2019
Service provision	2	2	2	2
Income from property leases	31	30	31	30
Income from technical equipment leases	407	313	407	313
Government Grants	329	155	137	2
Other extraordinary income	0	5	0	5
Other extraordinary gains	185	155	182	149
Currency exchange gains	10	21	10	21
<b>Total other operating income</b>	<b>964</b>	<b>681</b>	<b>769</b>	<b>522</b>

#### 4.6.3 OPERATING EXPENSES

The administrative expenses, the R&D cost as well as the Distribution cost result to be marginally increased compared to previous period by 4,74%

Amounts in € thousand	Group			Company		
	01.01 - 30.06.2020	01.01 - 30.06.2019	+/-%	01.01 - 30.06.2020	01.01 - 30.06.2019	+/-%
Payroll expenses	3.380	3.373	0,21%	3.378	3.373	0,15%
Third parties' fees and expenses	662	635	4,25%	598	594	0,67%
Third parties' utilities and services	489	554	-11,73%	469	554	-15,34%
Taxes and dues	113	114	-0,88%	113	101	11,88%
Sundry expenses	498	636	-21,70%	478	614	-22,15%
Depreciations	532	657	-19,03%	529	649	-18,49%
Provisions	48	38	26,32%	48	38	26,32%
<b>Total operating expenses</b>	<b>5.722</b>	<b>6.007</b>	<b>-4,74%</b>	<b>5.613</b>	<b>5.923</b>	<b>-5,23%</b>

#### 4.6.4 OTHER OPERATING EXPENSES

amounts in € thousand	Group		Company	
	01.01 - 30.06.2020	01.01 - 30.06.2019	01.01 - 30.06.2020	01.01 - 30.06.2019
Extraordinary expenses	4	13	4	13
Loss from currency exchange	128	77	127	74
Provisions for receivables of doubtful collection	20	150	20	150
Extraordinary losses	122	63	122	63
prior year's expenses	1	-	1	-
<b>Total other operating expenses</b>	<b>275</b>	<b>303</b>	<b>274</b>	<b>300</b>

#### 4.6.5 FINANCIAL RESULTS

amounts in € thousand	Group		Company	
	01.01-30.06.2020	01.01-30.06.2019	01.01-30.06.2020	01.01-30.06.2019
Gain/Loss from affiliated companies	72	0	0	0
Impairment of goodwill	0	0	0	0
Dividends	0	0	819	449
<b>Total financial results</b>	<b>72</b>	<b>0</b>	<b>819</b>	<b>449</b>

During the current year, the group's investment results show an amount of € 72 thousand, which concerns the income from the consolidation of our affiliate WEB IQ with the method of net position.

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

#### 4.6.6 INCOME TAX

The income tax expense imputed the results as follows:

Amounts in € thousand	note	Group		Company	
		01.01 - 30.06.2020	01.01-30.06.2019	01.01 - 30.06.2020	01.01-30.06.2019
Current Income Tax		-384	-128	-257	0
Deferred tax imputed to results	4.6.26	-38	-350	-38	-350
<b>Total income tax charge to income statement (a)</b>		<b>-422</b>	<b>-478</b>	<b>-295</b>	<b>-350</b>
<b>Deferred tax recognized directly in equity (b)</b>	4.6.26	-107	131	-107	131
<b>Total tax (a+b)</b>		<b>-529</b>	<b>-347</b>	<b>-402</b>	<b>-219</b>

The tax rate of income for legal entities in Greece for the period ended June 30, 2020, is 24% while for the previous period June 30, 2019, it was 28%.

For the years 2011 to 2018, the companies of the Group that operate in Greece and meet the relevant criteria for inclusion in the tax audit of Chartered Accountants, received a Tax Compliance Report, according to para. 5 of article 82 of Law 2238/1994 and article 65A par.1 of L.4174 / 2013, without qualification. According to the POL circular. 1006/2016, the companies that have been subject to the above special tax audit are not exempted from conducting regular audits by the competent tax authorities.

For the year 2019, the tax audit of the Certified Public Accountants for the issuance of the Tax Compliance Report is still in progress. Upon completion of the tax audit, management does not expect to incur significant tax liabilities other than those recorded and reflected in the financial statements.

#### 4.6.7 PROPERTY, PLANT AND EQUIPMENT

Land and buildings are disclosed in the fair value as resulted from their revaluation as at 30.06.2020 carried out by independent evaluators.

Amounts in € thousand	<b>Group</b>						Total
	Land	Buildings and buildings installation	Plant and machinery	Motor Vehicles	Furniture's & Fittings	Work In Progress	
<b>Opening Balance 01.01.2019</b>	<b>6.935</b>	<b>3.271</b>	<b>10.545</b>	<b>68</b>	<b>2.909</b>	<b>0</b>	<b>23.728</b>
Plus: Additions	0	52	197	27	133	0	409
Minus: Disposals	0	0	2	24	4	0	30
<b>Ending balance 30.06.2019</b>	<b>6.935</b>	<b>3.323</b>	<b>10.740</b>	<b>71</b>	<b>3.038</b>	<b>0</b>	<b>24.107</b>
<b>Depreciation at 01.01.2020</b>	<b>0</b>	<b>365</b>	<b>4.881</b>	<b>43</b>	<b>2.526</b>	<b>0</b>	<b>7.815</b>
Plus: Additions	0	70	255	3	50	0	378
Minus: Disposals	0	0	1	9	4	0	14
<b>Depreciation at 30.06.2019</b>	<b>0</b>	<b>435</b>	<b>5.135</b>	<b>37</b>	<b>2.572</b>	<b>0</b>	<b>8.179</b>
<b>Ending balance 30.06.2019</b>	<b>6.935</b>	<b>2.888</b>	<b>5.605</b>	<b>34</b>	<b>466</b>	<b>0</b>	<b>15.928</b>
<b>Opening Balance 01.01.2020</b>	<b>6.935</b>	<b>3.323</b>	<b>10.853</b>	<b>71</b>	<b>3.118</b>	<b>0</b>	<b>24.300</b>
Plus: Additions	0	0	261	0	74	20	355
Revaluation	329	-173	0	0	0	0	156
Minus: Disposals	0	0	197	0	44	0	241
<b>Ending balance 30.06.2020</b>	<b>7.264</b>	<b>3.150</b>	<b>10.917</b>	<b>71</b>	<b>3.148</b>	<b>20</b>	<b>24.570</b>
<b>Depreciation at 01.01.2020</b>	<b>0</b>	<b>505</b>	<b>5.381</b>	<b>39</b>	<b>2.626</b>	<b>0</b>	<b>8.551</b>
Plus: Additions	0	5	263	2	58	0	328
Revaluation	0	-316	0	0	0	0	-316
Minus: Disposals	0	0	166	0	44	0	210
<b>Depreciation at 30.06.2020</b>	<b>0</b>	<b>194</b>	<b>5.478</b>	<b>41</b>	<b>2.640</b>	<b>0</b>	<b>8.353</b>
<b>Ending balance 30.06.2020</b>	<b>7.264</b>	<b>2.956</b>	<b>5.439</b>	<b>30</b>	<b>508</b>	<b>20</b>	<b>16.217</b>

Amounts in € thousand	<b>Company</b>						Total
	Land	Buildings and buildings installation	Plant and machinery	Motor Vehicles	Furniture's & Fittings	Work In Progress	
<b>Opening Balance 01.01.2019</b>	<b>6.935</b>	<b>3.271</b>	<b>10.480</b>	<b>68</b>	<b>2.909</b>		<b>23.663</b>
Plus: Additions	0	52	197	27	133	0	409
Minus: Disposals	0	0	2	24	4	0	30
<b>Ending balance 30.06.2019</b>	<b>6.935</b>	<b>3.323</b>	<b>10.675</b>	<b>71</b>	<b>3.038</b>	<b>0</b>	<b>24.042</b>
<b>Depreciation at 01.01.2020</b>	<b>0</b>	<b>365</b>	<b>4.865</b>	<b>43</b>	<b>2.526</b>	<b>0</b>	<b>7.799</b>
Plus: Additions	0	70	251	3	50	0	374
Minus: Disposals	0	0	1	9	4	0	14
<b>Depreciation at 30.06.2019</b>	<b>0</b>	<b>435</b>	<b>5.115</b>	<b>37</b>	<b>2.572</b>	<b>0</b>	<b>8.159</b>
<b>Ending balance 30.06.2019</b>	<b>6.935</b>	<b>2.888</b>	<b>5.560</b>	<b>34</b>	<b>466</b>	<b>0</b>	<b>15.883</b>
<b>Opening Balance 01.01.2020</b>	<b>6.935</b>	<b>3.323</b>	<b>10.788</b>	<b>71</b>	<b>3.118</b>	<b>0</b>	<b>24.235</b>
Plus: Additions	0	0	261	0	74	20	355
Revaluation	329	-173	0	0	0	0	156
Minus: Disposals	0	0	197	0	44	0	241
<b>Ending balance 30.06.2020</b>	<b>7.264</b>	<b>3.150</b>	<b>10.852</b>	<b>71</b>	<b>3.148</b>	<b>20</b>	<b>24.505</b>
<b>Depreciation at 01.01.2020</b>	<b>0</b>	<b>505</b>	<b>5.359</b>	<b>39</b>	<b>2.626</b>	<b>0</b>	<b>8.529</b>
Plus: Additions	0	5	259	2	58	0	324
Revaluation	0	-316	0	0	0	0	-316
Minus: Disposals	0	0	166	0	44	0	210
<b>Depreciation at 30.06.2020</b>	<b>0</b>	<b>194</b>	<b>5.452</b>	<b>41</b>	<b>2.640</b>	<b>0</b>	<b>8.327</b>
<b>Ending balance 30.06.2020</b>	<b>7.264</b>	<b>2.956</b>	<b>5.400</b>	<b>30</b>	<b>508</b>	<b>20</b>	<b>16.178</b>

#### 4.6.8 INTANGIBLE ASSETS

Intangible assets of the Group and the Company include third party Software, other intangible assets and owned software. Investments in intangible assets include the cost of development of software in the form of integrated software for use within our operating area of Technology Solutions and Services. The item on other intangible assets

relates to the acquisition value of a brand, but due to the inability to reliably measure their commercial viability and their inflow in the near future no depreciation has been made.

Amounts in € thousand	<b>Group</b>			
	Software	Other intangibles	Software internally developed	Total Intangibles
<b>Opening Balance 01.01.2019</b>	<b>5.128</b>	<b>714</b>	<b>0</b>	<b>5.842</b>
Plus: Additions	577	0	226	803
Minus: Disposals	0	0	0	0
<b>Ending balance 30.06.2019</b>	<b>5.705</b>	<b>714</b>	<b>226</b>	<b>6.645</b>
<b>Depreciation at 01.01.2020</b>	<b>3.440</b>	<b>303</b>	<b>0</b>	<b>3.743</b>
Plus: Additions	271	1	0	272
Minus: Disposals	0	0	0	0
<b>Depreciation at 30.06.2019</b>	<b>3.711</b>	<b>304</b>	<b>0</b>	<b>4.015</b>
<b>Ending balance 30.06.2019</b>	<b>1.994</b>	<b>410</b>	<b>226</b>	<b>2.630</b>
<b>Opening Balance 01.01.2020</b>	<b>6.402</b>	<b>763</b>	<b>0</b>	<b>7.165</b>
Plus: Additions	77	0	206	283
Minus: Disposals	0	0	0	0
<b>Ending balance 30.06.2020</b>	<b>6.479</b>	<b>763</b>	<b>206</b>	<b>7.448</b>
<b>Depreciation at 01.01.2020</b>	<b>3.996</b>	<b>317</b>	<b>0</b>	<b>4.313</b>
Plus: Additions	329	3	0	332
Minus: Disposals	0	0	0	0
<b>Depreciation at 30.06.2020</b>	<b>4.325</b>	<b>320</b>	<b>0</b>	<b>4.645</b>
<b>Ending balance 30.06.2020</b>	<b>2.154</b>	<b>443</b>	<b>206</b>	<b>2.803</b>

Amounts in € thousand	<b>Company</b>			
	Software	Other intangibles	Software internally developed	Total Intangibles
<b>Opening Balance 01.01.2019</b>	<b>5.118</b>	<b>714</b>	<b>0</b>	<b>5.832</b>
Plus: Additions	577	0	226	803
Minus: Disposals	0	0	0	0
<b>Ending balance 30.06.2019</b>	<b>5.695</b>	<b>714</b>	<b>226</b>	<b>6.635</b>
<b>Depreciation at 01.01.2020</b>	<b>3.430</b>	<b>303</b>	<b>0</b>	<b>3.733</b>
Plus: Additions	556	2	0	272
Minus: Disposals	0	0	0	0
<b>Depreciation at 30.06.2019</b>	<b>3.986</b>	<b>305</b>	<b>0</b>	<b>4.005</b>
<b>Ending balance 30.06.2019</b>	<b>2.406</b>	<b>409</b>	<b>226</b>	<b>2.630</b>
<b>Opening Balance 01.01.2020</b>	<b>6.392</b>	<b>714</b>	<b>0</b>	<b>7.106</b>
Plus: Additions	77	0	206	283
Minus: Disposals	0	0	0	0
<b>Ending balance 30.06.2020</b>	<b>6.469</b>	<b>714</b>	<b>206</b>	<b>7.389</b>
<b>Depreciation at 01.01.2020</b>	<b>3.986</b>	<b>305</b>	<b>0</b>	<b>4.291</b>
Plus: Additions	329	1	0	330
Minus: Disposals	0	0	0	0
<b>Depreciation at 30.06.2020</b>	<b>4.315</b>	<b>306</b>	<b>0</b>	<b>4.621</b>
<b>Ending balance 30.06.2020</b>	<b>2.154</b>	<b>408</b>	<b>206</b>	<b>2.768</b>

#### 4.6.9 RIGHTS IF USE

Amounts in € thousand	Group		
	Buildings	Transportation vehicles	Total rights of use
<b>Opening Balance 01.01.2019</b>	<b>346</b>	<b>717</b>	<b>1.063</b>
Plus: Additions	0	410	410
Minus: Disposals	0	0	0
<b>Ending balance 30.06.2019</b>	<b>346</b>	<b>1.127</b>	<b>1.473</b>
<b>Depreciation at 01.01.2020</b>	<b>0</b>	<b>0</b>	<b>0</b>
Plus: Additions	46	190	236
Minus: Disposals	0	0	0
<b>Depreciation at 30.06.2019</b>	<b>46</b>	<b>190</b>	<b>236</b>
<b>Ending balance 30.06.2019</b>	<b>300</b>	<b>937</b>	<b>1.237</b>
<b>Opening Balance 01.01.2020</b>	<b>352</b>	<b>1.493</b>	<b>1.845</b>
Plus: Additions	32	216	248
Minus: Disposals	2	0	2
<b>Ending balance 30.06.2020</b>	<b>382</b>	<b>1.709</b>	<b>2.091</b>
<b>Depreciation at 01.01.2020</b>	<b>92</b>	<b>400</b>	<b>492</b>
Plus: Additions	46	245	291
Minus: Disposals	0	0	0
<b>Depreciation at 30.06.2020</b>	<b>138</b>	<b>645</b>	<b>783</b>
<b>Ending balance 30.06.2020</b>	<b>244</b>	<b>1.064</b>	<b>1.308</b>

Amounts in € thousand	Company		
	Buildings	Transportation vehicles	Total rights of use
<b>Opening Balance 01.01.2019</b>	<b>346</b>	<b>717</b>	<b>1.063</b>
Plus: Additions	0	410	410
Minus: Disposals	0	0	0
<b>Ending balance 30.06.2019</b>	<b>346</b>	<b>1.127</b>	<b>1.473</b>
<b>Depreciation at 01.01.2020</b>	<b>0</b>	<b>0</b>	<b>0</b>
Plus: Additions	46	190	236
Minus: Disposals	0	0	0
<b>Depreciation at 30.06.2019</b>	<b>46</b>	<b>190</b>	<b>236</b>
<b>Ending balance 30.06.2019</b>	<b>300</b>	<b>937</b>	<b>1.237</b>
<b>Opening Balance 01.01.2020</b>	<b>328</b>	<b>1.493</b>	<b>1.821</b>
Plus: Additions	31	216	247
Minus: Disposals	2	0	2
<b>Ending balance 30.06.2020</b>	<b>357</b>	<b>1.709</b>	<b>2.066</b>
<b>Depreciation at 01.01.2020</b>	<b>80</b>	<b>400</b>	<b>480</b>
Plus: Additions	40	245	285
Minus: Disposals	0	0	0
<b>Depreciation at 30.06.2020</b>	<b>120</b>	<b>645</b>	<b>765</b>
<b>Ending balance 30.06.2020</b>	<b>237</b>	<b>1.064</b>	<b>1.301</b>

#### 4.6.10 INVESTMENT PROPERTIES

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

#### 4.6.11 GOODWILL

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

Amounts in € thousand	<b>Group- Company</b>		
	SPACEPHONE S.A.	SPACE TECHNICAL CONSTRUCTION BUILDING SA	<b>Total</b>
<b>Opening Balance 01.01.2019</b>	<b>428</b>	<b>169</b>	<b>597</b>
Additions	0	0	0
Impairments	0	0	0
<b>Ending balance 31.12.2019</b>	<b>428</b>	<b>169</b>	<b>597</b>
<b>Opening Balance 01.01.2020</b>	<b>428</b>	<b>169</b>	<b>597</b>
Additions	0	0	0
Impairments	0	0	0
<b>Ending balance 30.06.2020</b>	<b>428</b>	<b>169</b>	<b>597</b>

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

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

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

Below are the main assumptions adopted by Management in cases where there was a need for impairment, taking into account the specific characteristics:

Discount rate of discount at present value: 3.9%, Growth rate in perpetuity: 2%.

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

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

#### 4.6.12 LIENS AND PLEDGES

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

#### 4.6.13 SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The company's shareholding in subsidiaries, associates and investments as at 30.06.2020, is disclosed at their acquisition cost less provisions for impairment

Corporate name	Ownership percentage		Ownership percentage		Consolidation method
	Direct	Indirect	Direct	Indirect	
<b>Subsidiaries</b>	<b>30.06.2020</b>		<b>31.12.2019</b>		
SPACE HELLAS (CYPRUS) LTD	100%	-	100%	-	Full Consolidation
SPACE HELLAS SYSTEM INTEGRATOR S.R.L.	-	99,45%	-	99,45%	Full Consolidation
SPACE HELLAS Doo Beograd-Stari Grad	-	100%	-	100%	Full Consolidation
SPACE HELLAS (MALTA) LTD	-	99,98%	-	99,98%	Full Consolidation
SPACE ARAB LEVANT TECHNOLOGIES COMPANY	-	100%	-	100%	Full Consolidation
<b>Associates</b>					
Web-IQ B.V.	32,28%	-	32,28%	-	Equity method
<b>Other investments</b>					
MOBICS S.A.	18,10%	-	18,10%	-	-
AgroApps Private Company	19,00%	-	-	-	-

#### Subsidiaries' activities

- Space Hellas (Cyprus) Limited was incorporated in Cyprus on September 8, 2005, as a private limited company in accordance with the provisions of the Cyprus Companies Law, Cap. 113. The main activities of the company are the provision of telecommunications services and investments property
- SPACE HELLAS SYSTEM INTEGRATOR S.R.L. was founded in 2010 and owned by the subsidiary SPACE HELLAS CYPRUS Ltd. The company was established to serve the group's strategy for penetrating new markets. The main activities of the company are the provision of telecommunications services, security systems, information technology, trade and investment property
- SPACE HELLAS (MALTA) LTD was founded at the end of 2012 and owned by the subsidiary SPACE HELLAS CYPRUS Ltd. The company was established to serve the group's strategy for penetrating new markets. Because of the conditions and commercial practices prevailing in the telecommunications sector in Malta, it was decided to operate through a subsidiary. This new company has installed telecommunications hub and node services offered in the local market
- SPACE HELLAS Doo Beograd-Stari Grad was founded at the end of 2012 and owned by the subsidiary SPACE HELLAS CYPRUS Ltd. The company was established to serve the group's strategy for penetrating new markets. Because of the conditions and commercial practices prevailing in the telecommunications sector in Serbia, it was decided to operate through a subsidiary. This new company has installed a telecommunications hub and node services offered in the local market.
- SPACE ARAB LEVANT TECHNOLOGIES COMPANY was founded at the end of 2017 and owned by the subsidiary SPACE HELLAS CYPRUS Ltd. The share capital consists of 50 thousand shares of 1JD each. The company was established to serve the group's strategy for penetrating new markets. Because of the conditions and commercial practices prevailing in the telecommunications sector in Jordan, it was decided to operate through a subsidiary. This new company has installed a telecommunications hub and node services offered in the local market.
- Web-IQ B.V. is a Dutch technology company active in the international Web-Intelligence specialized applications market and Big Data analytics for businesses and organizations. Web-IQ is actively working with many security authorities around the world to combat online child abuse. The total share capital of Web-IQ B.V after the share capital increase that took place on 13.6.2019 consists of 284.137 shares. The second phase of Space Hellas' investment in Web-IQ B.V. based in the Netherlands, has been completed., raising its stake from 17.21% to 32.28% for the amount of € 1.1m, through a share capital increase of Web-IQ BV,

following the fulfilment of a contract that was signed, providing the option for this additional percentage acquisition.

- Mobics Telecommunication and Consulting Services S.A. was founded in 2006 as a spin-off of the National University of Athens (Department of Informatics and Telecommunications), based in Athens. The Mobics specializes in the design, development and provision of value-added services for mobile and pervasive computing environments and the Internet, focusing on geographical and information and generally aware framework (context-aware services).
- Founded in 2015, AgroApps specializes in the development of digital solutions for the agricultural sector, which include farming monitoring and management systems, high-resolution weather forecasting, water resources monitoring and control services, agricultural insurance services, as well as personalized solutions for companies and public bodies. The company is based in Thessaloniki. The purchase agreement comprises three stages of investment, wherein the first stage on 25-5-2020 Space Hellas acquired 19% of the existing shares of AgroApps, in the second stage on 25-8-2020, it exercised the option to acquire additional 16% of the existing shares of AgroApps, and the investment amounted to € 825 thousand. In the third stage, Space Hellas will have the right to acquire an additional 10% of AgroApps through an increase in its share capital, while in case of transformation of AgroApps into a public limited company, Space Hellas will be entitled to appoint a member to its three-member board. If the third stage is implemented, the total amount of Space Hellas' investment for 45% in AgroApps, will amount to € 1,275,000.

#### 4.6.14 OTHER LONG TERM RECEIVABLES

	Group		Company	
	30.06.2020	31.12.2019	30.06.2020	31.12.2019
Amounts in € thousand				
Rental guarantees	32	31	32	31
Long term receivables from related parties	0	0	0	0
<b>Total Other Long term receivables</b>	<b>32</b>	<b>31</b>	<b>32</b>	<b>31</b>

#### 4.6.15 INVENTORIES

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

For the current year, the value of obsolete and slow-moving stocks amounts to € 97 thousand, charged in the results of the Group and the Company. The amount of inventory reflects the company's strategy to achieve the goal of proper warehouse management without degrading the customer's trustworthy service.

	Group		Company	
	30.06.2020	31.12.2019	30.06.2020	31.12.2019
Amounts in Euro thousands				
Goods	4.790	4.700	4.790	4.700
Materials	1.439	1.062	1.439	1.062
Consumables	865	863	865	863
<b>Total inventories</b>	<b>7.094</b>	<b>6.625</b>	<b>7.094</b>	<b>6.625</b>

#### 4.6.16 TRADE RECEIVABLES

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

	Group		Company	
	30.06.2020	31.12.2019	30.06.2020	31.12.2019
Amounts in Euro thousands				
Trade receivables	24.031	20.199	23.769	20.116
Less: Provisions for doubtful liquidation	5.408	5.408	5.408	5.408
<b>Less: cummulative effect IFRS 9</b>	89	69	89	69
<b>Total trade receivables</b>	<b>18.534</b>	<b>14.722</b>	<b>18.272</b>	<b>14.639</b>

The provision for bad debt was made based on the overdue debts in accordance with the adopted credit policy in combination with their historical consistency and solvency, taking into account the current economic circumstances.

The fair value of customer receivables approximates the book value. Receivables from customers of both the company and the Group, except for those for which a provision has been made, are all considered receivable.

In the context of working capital management, the Group uses receivables agency services (factoring) for the most timely collection of receivables from its customers in Greece.

The account receivables from customers are not interest-bearing and are usually settled in Group 1 - 180 days, Company 1 - 180 days. The time of collection of receivables from executed projects depends on the progress of the works.

Table of age analysis of other receivables from customers:

	Group		Company	
	30.06.2020	31.12.2019	30.06.2020	31.12.2019
Amounts in Euro thousands				
1 - 90 days	14.810	11.785	14.571	11.728
91 - 180 days	1.348	1.335	1.325	1.309
181 - 360 days	1.477	637	1.477	637
> 360 days	899	965	899	965
<b>Total trade receivables</b>	<b>18.534</b>	<b>14.722</b>	<b>18.272</b>	<b>14.639</b>

Ageing analysis for trade receivables from related parties

	Group		Company	
	30.06.2020	31.12.2019	30.06.2020	31.12.2019
Amounts in Euro thousands				
1 - 90 days	13	21	13	174
91 - 180 days	0	0	0	0
181 - 360 days	0	0	0	0
> 360 days	0	0	0	0
<b>Total trade receivables</b>	<b>13</b>	<b>21</b>	<b>13</b>	<b>174</b>

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

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

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

#### 4.6.17 OTHER RECEIVABLES

	Group		Company	
	30.06.2020	31.12.2019	30.06.2020	31.12.2019
Amounts in Euro thousands				
Cheques receivable	144	46	144	46
Cheques overdue*	1.709	1.709	1.709	1.709
Deducted Taxes & other receivables	921	972	746	805
Salary prepayments	10	7	10	7
Advances to account for	45	10	45	10
Amounts owed by affiliated undertakings	0	0	400	0
Deferred charges	4.291	2.341	4.291	2.326
Income earned	1.041	1.069	1.041	1.069
Other receivables**	753	130	681	63
<b>Total other receivables</b>	<b>8.914</b>	<b>6.284</b>	<b>9.067</b>	<b>6.035</b>
<b>Less: provisions for doubtful liquidation</b>	<b>1.738</b>	<b>1.738</b>	<b>1.738</b>	<b>1.738</b>
<b>Total other receivables</b>	<b>7.176</b>	<b>4.546</b>	<b>7.329</b>	<b>4.297</b>

\* For the account in the "Checks overdue" an equivalent provision of default has been made.

\*\* For the amount appearing in the Group's Other Receivables, "Other Debtors" amounting to € 753 thousand, mainly concerns other receivables, a provision of € 29 thousand has been made

"Deferred charges" comprise the following:

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

Expenses are recognized on an accrual basis.

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

#### 4.6.18 PREPAYMENTS

	Group		Company	
	30.06.2020	31.12.2019	30.06.2020	31.12.2019
Amounts in Euro thousands				
Orders placed abroad	421	883	421	883
Prepayments to other creditors	2.412	2.560	2.370	2.540
<b>Total prepayments</b>	<b>2.833</b>	<b>3.443</b>	<b>2.791</b>	<b>3.423</b>

#### 4.6.19 CASH AND CASH EQUIVALENTS

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

	Group		Company	
	30.06.2020	31.12.2019	30.06.2020	31.12.2019
Amounts in Euro thousands				
Cash on hand	51	35	51	35
Short term Bank deposits	9.215	17.047	8.684	16.246
<b>Total Cash and Cash equivalents</b>	<b>9.266</b>	<b>17.082</b>	<b>8.735</b>	<b>16.281</b>

#### 4.6.20 SHARE CAPITAL

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

Number of shares and nominal value	30.06.2020	31.12.2019
Paid up capital	6.973.052,40	6.973.052,40
Number of ordinary shares	6.456.530	6.456.530
Nominal value each share	1,08 €	1,08 €

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

#### 4.6.21 RESERVES

Amounts in € thousand	Group					Total
	Share premium	Fair value reserves	Legal Reserve	Special reserve	Currency exchange	
<b>Balance at 1 January 2019</b>	<b>53</b>	<b>2.176</b>	<b>489</b>	<b>492</b>	<b>-57</b>	<b>3.153</b>
Legal reserve formation	0	0	62	0	0	62
Effect on deferred tax due to change of income tax rate	0	153	0	0	0	153
Currency exchange	0	0	0	0	-6	-6
<b>Balance at 31 December 2019</b>	<b>53</b>	<b>2.329</b>	<b>551</b>	<b>492</b>	<b>-63</b>	<b>3.362</b>
<b>Balance at 1 January 2020</b>	<b>53</b>	<b>2.329</b>	<b>551</b>	<b>492</b>	<b>-63</b>	<b>3.362</b>
Revaluation of buildings	0	472	0	0	0	472
Tax from Revaluation of buildings	0	-113	0	0	0	-113
Currency exchange	0	0	0	0	-7	-7
Effect on deferred tax due to change of income tax rate	0	0	0	0	0	0
<b>Balance at 30 June 2020</b>	<b>53</b>	<b>2.688</b>	<b>551</b>	<b>492</b>	<b>-70</b>	<b>3.714</b>

Amounts in € thousand	Company				Total
	Share premium	Fair value reserves	Legal Reserve	Special reserve	
<b>Balance at 1 January 2019</b>	<b>53</b>	<b>2.176</b>	<b>486</b>	<b>492</b>	<b>3.207</b>
Legal reserve formation	0	0	62	0	62
Effect on deferred tax due to change of income tax rate	0	153	0	0	153
<b>Balance at 31 December 2019</b>	<b>53</b>	<b>2.329</b>	<b>548</b>	<b>492</b>	<b>3.422</b>
<b>Balance at 1 January 2020</b>	<b>53</b>	<b>2.329</b>	<b>548</b>	<b>492</b>	<b>3.422</b>
Revaluation of buildings	0	472	0	0	472
Tax from Revaluation of buildings	0	-113	0	0	-113
<b>Balance at 30 June 2020</b>	<b>53</b>	<b>2.688</b>	<b>548</b>	<b>492</b>	<b>3.781</b>

#### 4.6.22 LONG TERM LOANS

The Group's long term loans amount to € 19.518 thousand compared to € 15.307 thousand compared to the year 2019. The loans concern:

- Mortgage loan ending at 2022, of initial amount € 1.500 thousand, and after interest and principal payments amounting to € 375 thousand
- Mortgage loan ending at 2024, of initial amount € 2.700 thousand, and after interest and principal payments amounting to € 1.350 thousand
- Mortgage loan ending at 2026, of initial amount € 5.976 thousand, and after interest and principal payments amounting to € 2.780 thousand
- Mortgage loan ending at 2022, of initial amount € 1.500 thousand, and after interest and principal payments amounting to € 375 thousand
- Mortgage loan ending at 2022, of initial amount € 2.000 thousand, and after interest and principal payments amounting to € 625 thousand
- Mortgage loan ending at 2022, of initial amount € 1.000 thousand, and after interest and principal payments amounting to € 214 thousand
- Mortgage loan ending at 2022, of initial amount € 2.000 thousand, and after interest and principal payments amounting to € 1.850 thousand

- Mortgage loan ending at 2023, of initial amount € 2.000 thousand, and after interest and principal payments amounting to € 1.525 thousand
- Mortgage loan ending at 2023, of initial amount € 2.500 thousand, and after interest and principal payments amounting to € 2.143 thousand
- Mortgage loan ending at 2024, of initial amount € 500 thousand, and after interest and principal payments amounting to € 281 thousand
- Mortgage loan ending at 2024, of initial amount € 2.000 thousand, and after interest and principal payments amounting to € 1.900 thousand
- Mortgage loan ending at 2025, of initial amount € 6.500 thousand, and after interest and principal payments amounting to € 6.100 thousand

The fair value of the short and long term borrowings approximates the book value. The rate used in the company's and the Group's borrowings is floating and renegotiable within a six-month period. The average interest rate applied is 4,25%.

#### 4.6.23 OTHER LONG TERM LIABILITIES

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

	Group		Company	
	30.06.2020	31.12.2019	30.06.2020	31.12.2019
Amounts in Euro thousands				
Guarantees received	6	6	6	6
<b>Total Other long term liabilities</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>

#### 4.6.24 FAIR VALUE MEASUREMENT

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

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

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

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

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

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

#### 4.6.25 PERSONNEL EMPLOYED - EMPLOYEE BENEFITS

The personnel employed at 30.06.2020 for the Group have reached 390 persons and for the company has reached 388 persons while as at 30.06.2019 amounted to 356 and 355 respectively.

##### 4.6.25.1 Provisions for employees benefits

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

	Group		Company	
	30.06.2020	31.12.2019	30.06.2020	31.12.2019
Amounts in Euro thousands				
Present value of unfunded obligations	855	885	916	885
Not recognized actuarial gains\ losses	0	0	0	0
<b>Reserves to be formed</b>	<b>855</b>	<b>885</b>	<b>916</b>	<b>885</b>
<b>Provisions for employers benefits recognized in the income statement</b>				
Current service cost	30	56	30	56
Cost of interest	6	11	6	11
Actuarial loss / (gain)	0	0	0	0
Past service cost	12	7	12	7
<b>Net periodic cost</b>	<b>48</b>	<b>74</b>	<b>48</b>	<b>74</b>
<b>Liability recognized in the Statement of financial position</b>				
Net liability – opening balance as at 01.01	885	804	885	804
Benefits paid	-41	-24	-41	-24
Cost recognized in the income statement	48	74	48	74
Gains/Losses recognized in Equity	24	31	24	31
<b>Net liability</b>	<b>916</b>	<b>885</b>	<b>916</b>	<b>885</b>
<b>Present value of the liability</b>				
Net liability – opening balance as at 01.01	885	804	885	804
Current service cost	30	56	30	56
Cost of interest	6	11	6	11
Past service cost	12	7	12	7
Benefits paid	-41	-24	-41	-24
Actuarial loss / (gain)	0	0	0	0
Gains/Losses recognized in Equity	24	31	24	31
<b>Present value of the liability</b>	<b>916</b>	<b>885</b>	<b>916</b>	<b>885</b>

The assumptions used are the following:

<b>Actuarial assumptions</b>	
1. Discount interest rate	1,3% as at 30.06.2020
2. Average annual long term inflation rate	2% (according to EU, Lisbon convention).
3. Average annual long term salary growth	2,00%
4. Valuation date	30.06.2020
5. Regular retirement age :	According to the social security fund of each employee
6. General assumption fro actuarial purpose:	The going concern principle according to IAS (IAS1 para 23)
7. Valuation method :	Projected Unit Credit Method (IAS19)

#### 4.6.26 DEFERRED INCOME TAX

Taxes are calculated on temporary differences, according to the liability method, using the tax rates applicable in the countries in which the Group companies operate.

The calculation of the deferred taxes of the Group and the Company is re-examined in each fiscal year, in order for the balance that appears in the financial statements to be in accordance with the applicable tax rates. The movement of deferred taxes after set-off is as follows:

Amounts in € thousand	Group - company			
	31.12.2019	Amounts recognised through income statement	Amounts recognised through equity	30.06.2020
<b>Deferred tax liabilities</b>				
Depreciation rate difference effect	-573	-56	0	-629
Fair value adjustments Property, plant and equipment	-736	0	-113	-849
<b>Total Deferred tax liabilities</b>	<b>-1.309</b>	<b>-56</b>	<b>-113</b>	<b>-1.478</b>
<b>Deferred tax assets</b>				
Provisions for Trade and other receivables	415	15	0	430
Post-employment and termination benefits	213	2	6	221
Impairment of Receivables	36	0	0	36
Impairment of Inventories	5	1	0	6
Tax deductible previews years' losses	0	0	0	0
Share premium capitalization expenses	0	0	0	0
<b>Total Deferred tax assets</b>	<b>669</b>	<b>18</b>	<b>6</b>	<b>693</b>
<b>Total Deferred tax</b>	<b>-640</b>	<b>-38</b>	<b>-107</b>	<b>-785</b>

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

#### 4.6.27 TRADE AND OTHER PAYABLES

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

Amounts in € thousand	Group		Company	
	30.06.2020	31.12.2019	30.06.2020	31.12.2019
Trade payables	12.514	19.244	12.400	19.068
Checks payables	797	971	797	971
Customer down payments/advances	1.937	322	1.937	322
Social security	1.198	591	1.198	591
Wages and salaries payable	0	0	0	0
Short term liabilities to factors	114	270	114	270
Other payables	92	144	80	142
Amounts due to related parties	0	0	0	0
Next year's Income	5	6	5	6
Accrued expenses	39	214	30	169
Purchases under arraignment	80	224	80	224
<b>Total Trade and other payables</b>	<b>16.776</b>	<b>21.986</b>	<b>16.641</b>	<b>21.763</b>

#### 4.6.28 PROVISIONS

The Group has formed provisions for doubtful trade receivables for the amount of € 5.497 thousand, for doubtful sundry debtors for the amount of € 1.738 thousand. The provisions are disclosed compensated among the trade and other receivables and the inventories respectively

Amounts in € thousand	<b>Group - Company</b>				<b>30.06.2020</b>
	<b>31.12.2019</b>	<b>New Provisions</b>	<b>Used Provisions</b>	<b>Decreases</b>	
Provisions for tax unaudited years	61	0	0	0	61
Provisions for employers benefits	885	72	41	0	916
Other provisions	0	0	0	0	0
<b>Total</b>	<b>946</b>	<b>72</b>	<b>41</b>	<b>0</b>	<b>977</b>

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

#### 4.6.29 DISPUTED CLAIMS

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

#### 4.6.30 UNAUDITED FISCAL YEARS BY THE TAX AUTHORITIES

<b>Company</b>	<b>Tax Unaudited Years</b>
SPACE HELLAS (CYPRUS) LTD	2011 – 2019
SPACE HELLAS Doo Beograd-Stari Grad	2012 - 2019
SPACE HELLAS (MALTA) LTD	2012 - 2019
SPACE HELLAS INTEGRATOR SRL	2010 - 2019
SPACE ARAB LEVANT TECHNOLOGIES LLC	2017 - 2019

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

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

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

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

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

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

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

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

#### 4.6.31 CONTINGENT EVENTS

##### 4.6.31.1 Commitments -Guarantees

The Group has contingent liabilities in respect of banks, other guarantees and other matters arising in the ordinary course of business. No substantial charges are expected to arise from contingent liabilities. No additional payments are expected after the date of preparation of these financial statements.

The contingent liabilities for letters of guarantee for the Company and the Group in the ordinary course of business are:

	<b>Group</b>		<b>Company</b>	
	<b>30.06.2020</b>	<b>31.12.2019</b>	<b>30.06.2020</b>	<b>31.12.2019</b>
Amounts in € thousand				
Guarantee letters to secure good performance of contract terms	5.734	5.886	5.734	5.886
<b>Total Contingent Liabilities</b>	<b>5.734</b>	<b>5.886</b>	<b>5.734</b>	<b>5.886</b>

As at 30.06.2020 and 31.12.2019 there were no outstanding letters of guarantee issued in favour of subsidiaries.

##### 4.6.31.2 Excess clause provisions and Disputed claims

There are no cases (note. 4.6.29) that might have a significant impact on the financial position both of the Group and the Company.

##### 4.6.31.3 Other contingent liabilities

The tax framework and tax practices in Greece, which determine the tax base for the transactions of Group companies, may give rise to uncertainties inherent in their complexity and the fact that they are subject to changes and alternative interpretations by the competent authorities at different times. Therefore, there may be categories of costs or handling of various issues for which a company may have evaluated on a different basis from that applied during the preparation of the tax returns or the preparation of the financial statements. It is customary for tax inspections to be carried out by Tax Authorities, on average 5-7 years after filing the tax return. All of this leads to inherent difficulties in identifying and accounting for tax liabilities. As a result, the management aims to define its policy based on the legislation available at the time of accounting for a transaction, by obtaining specialized legal and tax advice

For the unaudited tax years of the Group companies, as mentioned in note 4.6.28, there is the possibility of imposing additional taxes and surcharges at the time of their examination and finalization by the competent tax authorities. The company has formed a cumulative provision of € 61 thousand in order to cover the possibility of imposing additional taxes in the event of an audit by the tax authorities. For the other Group companies, no provision has been made for unaudited tax years as it is estimated that the charge for the imposition of additional taxes will be insignificant.

##### 4.6.31.4 Capital commitments

As at 30.06.2020 there were no capital commitments for the Group and the Company.

#### 4.6.32 CASH FLOWS

	<b>Group</b>		<b>Company</b>	
	<b>01.01- 30.06.2020</b>	<b>01.01- 30.06.2019</b>	<b>01.01- 30.06.2020</b>	<b>01.01- 30.06.2019</b>
Amount ins € thousand				
Total cash inflow/(outflow) from operating activities	-10.275	-6.329	-10.432	-6.580
Total cash inflow/(outflow) from investing activities	-1.334	-2.701	-914	-2.602
Total cash inflow/(outflow) from financing activities	3.793	3.016	3.800	3.022

**Cash flow from operating activities** is negative amounting to € -10.275 thousand. The continuous increase of the turnover together with the prepayment of the contractual costs, before the total maturity of the related revenues, which always takes place at the end of the year. Historically, this trend has been reversed at the end of each financial year.

**Cash flow from investing activities** is negative amounting to € -1.334 thousand attributable to the execution of the investment plans.

**The cash flow from financing activities** is positive amounting to € 3.793 thousand. This result confirms the ease of access of the Group to financial institutions for the financing of its activities and the excellent relations with the banking system.

#### 4.6.33 CONTINGENT EVENTS - TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES (IAS 24) FROM 01-01-2020 TO 30-06-2020

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

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

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

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

The tables below summarize the transactions and the account balances with related parties carried out during period a'2020 and a'2019, respectively:

Amounts in € thousand	Revenue from dividends		Sales		Income from investment property		Total income-Parent company		Total income-Group	
	30.06		30.06		30.06		30.06		30.06	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
SPACE HELLAS (CYPRUS) LTD	819	449	-	-	-	-	819	449	-	-
SPACE HELLAS (MALTA) LTD	-	-	-	-	-	-	0	0	-	-
SPACE HELLAS D.o.o. BEORGRAD	-	-	-	-	-	-	0	0	-	-
SPACE ARAB LEVANT TECHNOLOGIES LLC	-	-	-	-	-	-	0	0	-	-
<b>Total Subsidiaries</b>	<b>819</b>	<b>449</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>819</b>	<b>449</b>	<b>0</b>	<b>0</b>
Web-IQ B.V.	-	-	91	55	-	-	91	55	91	55
<b>Associates</b>	<b>0</b>	<b>0</b>	<b>91</b>	<b>55</b>	<b>0</b>	<b>0</b>	<b>91</b>	<b>55</b>	<b>91</b>	<b>55</b>
MOBICS S.A.	-	-	-	-	-	-	0	0	0	0
AgroApps PC	-	-	-	-	-	-	0	0	0	0
<b>Total associates</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>819</b>	<b>449</b>	<b>91</b>	<b>55</b>	<b>0</b>	<b>0</b>	<b>910</b>	<b>504</b>	<b>91</b>	<b>55</b>

Amounts in € thousand	Total Company expenses		Total Group expenses	
	30.06		30.06	
	2020	2019	2020	2019
SPACE HELLAS (CYPRUS) LTD	6	-	-	-
SPACE HELLAS (MALTA) LTD	-	-	-	-
SPACE HELLAS D.o.o. BEORGRAD	-	-	-	-
SPACE ARAB LEVANT TECHNOLOGIES LLC	3	-	-	-
<b>Total Subsidiaries</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>0</b>
Web-IQ B.V.	-	5	-	5
<b>Associates</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>5</b>
MOBICS S.A.	-	11	-	11
AgroApps P.C.	-	-	-	-
<b>Total associates</b>	<b>0</b>	<b>11</b>	<b>0</b>	<b>11</b>
	<b>9</b>	<b>16</b>	<b>0</b>	<b>16</b>

Amounts in € thousand	Total Receivables - Company		Total Receivables - Group	
	30.06		30.06	
	2020	2019	2020	2019
SPACE HELLAS (CYPRUS) LTD	400	569	-	-
SPACE HELLAS (MALTA) LTD	-	-	-	-
SPACE HELLAS D.o.o. BEORGRAD	-	-	-	-
SPACE ARAB LEVANT TECHNOLOGIES LLC	-	-	-	-
<b>Total Subsidiaries</b>	<b>400</b>	<b>569</b>	<b>0</b>	<b>0</b>
Web-IQ B.V.	33	11	33	11
<b>Associates</b>	<b>33</b>	<b>11</b>	<b>33</b>	<b>11</b>
MOBICS S.A.	-	-	-	-
AgroApps P.C.	-	-	-	-
SPACE CONSULTING S.A.	0	11	0	11
<b>Total associates</b>	<b>0</b>	<b>11</b>	<b>0</b>	<b>11</b>
	<b>433</b>	<b>591</b>	<b>33</b>	<b>22</b>

Amounts in € thousand	Total Liabilities Company		Total Liabilities Group	
	30.06		30.06	
	2020	2019	2020	2019
SPACE HELLAS (CYPRUS) LTD	6	-	-	-
SPACE HELLAS (MALTA) LTD	-	-	-	-
SPACE HELLAS D.o.o. BEORGRAD	-	-	-	-
SPACE ARAB LEVANT TECHNOLOGIES LLC	3	-	-	-
<b>Total Subsidiaries</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>0</b>
Web-IQ B.V.	-	-	-	-
<b>Associates</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
MOBICS S.A.	-	17	-	17
AgroApps P.C.	-	-	-	-
SPACE CONSULTING S.A.	-	2	-	2
<b>Total associates</b>	<b>0</b>	<b>19</b>	<b>0</b>	<b>19</b>
	<b>9</b>	<b>19</b>	<b>0</b>	<b>19</b>

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

Table of Key management compensation:

Amounts in € thousand	Group		Company	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Salaries and other employee benefits	644	659	644	659
Receivables from executives and members of the Board	2	2	2	2
Payables to executives and member of the Board	35	47	35	47

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

Tables of Guarantees to third parties:

Amounts in € thousand	Group		Company	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Guarantees to third parties on behalf of subsidiaries and joint ventures	33	34	33	34
Used guarantees to third parties on behalf of subsidiaries	0	0	0	0
Bank guarantee letters	33	34	33	34

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

#### 4.7 ALTERNATIVE PERFORMANCE MEASURES (APMs)

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

The Alternative Performance Measurement Score (APMs) is an adjusted economic measurement of historical or future economic performance, financial position or cash flow, other than the economic measurement set out in the applicable financial reporting framework. That is to say, APMs does not rely exclusively on the standards of financial statements, but provides substantial additional information, excluding elements that may differ from operating results or cash flows. Transactions with non-functional or non-cash valuation with a significant effect on the Statement of Comprehensive Income are considered as factors influencing the adjustment of the indicators to EMMA. These non-recurring items, in most cases, could arise, among others, from:

- impairment of assets
- Restructuring measures
- consolidation measures
- sale of assets or concessions
- changes in legislation, damages for damages or legal claims.

ALPs should always be taken into account in conjunction with the financial results prepared under IFRSs and should under no circumstances be considered as replacing them. The Group uses the adjusted indicators to better reflect the financial and operating performance that is related to the Group's activity as such in the reference year as well as the corresponding comparable period last year.

The definition, analysis and basis of calculation of the ALPs used by the Group is set out below.

##### Elements Affecting Adaptation

Figures influencing the adjustment of the indices used by the Group to extract the SNAUs according to the first half financial statements 2020 and the corresponding financial statements of the prior period are the provisions of doubtfulness.

The data that affect the adjustment of the indicators (SEMCs) on 30.06.2020 and 30.06.2019 are shown in the table below:

	<b>Group</b>	
	<b>30.06.2020</b>	<b>30.06.2019</b>
<small>Amounts in € thousand</small>		
<b>Comprehensive Income Statement</b>		
Provisions for impairment	0	150
<b>Total</b>	<b>0</b>	<b>150</b>

##### Adjusted EBITDA

Adjusted EBITDA is defined as the sum of Earnings Before Taxes, Financials, Investments and Depreciation, minus the items that affect the adjustment (payments of voluntary retirement plans, doubtful debts, reimbursement fees and non-recurring legal cases).

The definition, analysis and basis of calculation of the EMMA used by the Group is set out below:

$$\text{EBITDA adjusted} = \text{EBITDA} - \text{Adjusting elements}$$

	Group		
	30.06.2020	30.06.2019	Divergence %
<b>EBITDA</b>	<b>2.994</b>	<b>3.228</b>	-7,25%
Provisions for impairment	0	150	
<b>EBITDA adjusted</b>	<b>2.994</b>	<b>3.378</b>	-11,37%
<b>Divergence %</b>	0%	5%	

The adjusted EBITDA of the current period is zero compared to EBITDA, while compared to the previous period the adjusted EBITDA is increased by 11,37%

#### Adjusted EBIT

Adjusted EBITDA is defined as the sum of Earnings Before Taxes, Financials and Investments results, minus the items that affect the adjustment (payments of voluntary retirement plans, doubtful debts, reimbursement fees and non-recurring legal cases).

$$\text{EBIT adjusted} = \text{EBIT} - \text{Adjusting elements}$$

Amounts in € thousand	Group		
	30.06.2020	30.06.2019	Divergence %
<b>EBIT</b>	<b>2.044</b>	<b>2.346</b>	-12,87%
Provisions for impairment	0	150	
<b>EBIT adjusted</b>	<b>2.044</b>	<b>2.496</b>	-18,11%
<b>Divergence %</b>	0%	6%	

The adjusted EBIT of the current period is zero compared to EBIT, while compared to the previous period the adjusted EBIT is increased by 18,11%.

#### Adjusted Cash Flows After Investments

Adjusted cash flows after Investments are defined as the sum of net cash inflows from operating activities less the components that affect the adjustment (payments of voluntary retirement plans, doubtful debts, reimbursement costs and non-recurring legal cases) and by suggesting net cash flows from investing activities, as shown in the table below.

$$\text{Cash Flows After Investments adjusted} = \text{Net operating Cash flow} - \text{Adjusting elements} - \text{Net Cash flow from investing activity}$$

Amounts in € thousand	Group		
	30.06.2020	30.06.2019	Divergence %
Net Cash flow from operating activities	-10.275	-6.329	62,35%
Net Cash flow from investing activity	-1.334	-2.701	-50,61%
<b>Cash Flows After Investments</b>	<b>-11.609</b>	<b>-9.030</b>	28,56%
Provisions for impairment	0	150	-100,00%
<b>Cash Flows After Investments adjusted</b>	<b>-11.609</b>	<b>-8.880</b>	30,73%
<b>Divergence %</b>	0%	-2%	

Adjusted Cash Flows from Investments in the current are zero compared to Cash Flows after investments while compared to the previews period, the Adjusted Cash Flows After Investments are decreased by 30,73%.

### Adjusted Net Borrowing

Adjusted net borrowing is defined as net borrowing, which includes other financial assets as these are relatively readily convertible assets. The calculations are presented in the table below.

<b>Adjusted Net Borrowing</b>	=	Net Borrowing	-	Other financial Assets
<b>Amounts in € thousand</b>				
		<b>Group</b>		
		<b>30.06.2020</b>	<b>30.06.2019</b>	<b>Divergence %</b>
Long term loans		19.518	12.988	50,28%
Shor term loans		9.552	11.526	-17,13%
Cash and Cash equivalents		-9.266	-7.144	29,70%
<b>Net Borrowing</b>		<b>19.804</b>	<b>17.370</b>	<b>14,01%</b>
Other financial Assets		-13	-13	0,00%
<b>Adjusted Net Borrowing</b>		<b>19.791</b>	<b>17.357</b>	<b>14,02%</b>
<b>Divergence %</b>		<b>-0,07%</b>	<b>-0,07%</b>	

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

## 4.8 SIGNIFICANT POST-BALANCE SHEET EVENTS

On 26-05-2020, Space Hellas announces the conclusion of an agreement for the investment in "Agricultural Applications PC." with the company name "Agro Apps PC", which is based in Thessaloniki. AgroApps was founded in 2015, with the aim to offer digital solutions for the agricultural sector. Since its inception, AgroApps has invested in the research and development of solutions based on Artificial Intelligence technologies, satellite and meteorological data, advanced mathematical models and crop development models. AgroApps solutions meet both the needs of a small producer and the most demanding needs of companies and public bodies, as they include surveillance and management systems of farms, high-resolution weather forecast, water resources monitoring and control services, services for the agricultural sector as well as personalized solutions for companies and public bodies.

The agreement includes three stages of investment, wherein the first stage on 25-5-2020 Space Hellas acquired 19% of the existing shares of AgroApps, in the second stage on 25-8-2020 exercised the option for the acquisition of additional 16% of the existing shares of AgroApps, and the investment amounted to € 825 thousand. In the third stage, Space Hellas will have the right to acquire an additional 10% of AgroApps through an increase of its share capital, while in case of transformation of AgroApps into a public limited company, Space Hellas will be entitled to appoint one member to its three-member board. If the third stage will be implemented, the total amount of Space Hellas' investment will rise to 45% in AgroApps, and will amount to € 1,275,000.

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

Following the clarifications provided in the above relevant paragraphs for the spread of the coronavirus, which is a non-adjusting event, there are no events subsequent to the financial statements that concern either the Group or the company and in which a reference to International Financial Reporting Standards is required.

**SPACE HELLAS A.E**  
Financial Report for the Six month period  
(from 1<sup>st</sup> January to 30<sup>th</sup> June 2020)



# 5 FIGURES AND INFORMATION FROM 1<sup>ST</sup> JANUARY TO 30<sup>TH</sup> JUNE 2020

<b>SPACE</b>		<b>SPACE HELLAS S.A.</b>			
		GROUP		COMPANY	
		30.06.2020	31.12.2019	30.06.2020	31.12.2019
<p><b>1.1 STATEMENT OF FINANCIAL POSITION</b></p> <p><i>(Consolidated and non consolidated) Amounts in € thousand</i></p>					
<p>Prefecture Company's web site Date of approval by the Board of Directors Auditing Company Certified Auditor/Accountant Type of Auditor's report</p>	<p>Ministry of Development, Department of Commerce <a href="http://www.space.gr">http://www.space.gr</a> 25th September 2020 Board of Directors Decisions No 3.776 PKF Euroauditing S.A. Andreas G. Pournos (S.O.E.L. Reg. No 35081) Without qualification</p>	<p><b>Board of Directors</b> Manolopoulos Spyridon Chatzistamatou Theodoros Mpellos Panagiotis Mertzis Ioannis Doulaveris Ioannis Paparizou Anastasia Pabouras Athanasios Chaliras Emmanuel Gakis Theodoros</p> <p>Chairman, executive member Vice President, non executive member CEO, executive member CEO, executive member Executive member Executive member Independent - non executive member Independent - non executive member Independent - non executive member</p>			
<p><b>1.4 CASH FLOW STATEMENT FOR THE YEAR</b></p> <p><i>(Consolidated and non consolidated) Amounts in € thousand</i></p>					
		GROUP		COMPANY	
		01.01-30.06.2020	01.01-30.06.2019	01.01-30.06.2020	01.01-30.06.2019
<p><b>Operating Activities:</b></p> <p>Profit before taxes (continued operations) 1.062 1.261 1.245 1.152 Plus/Less adjustments for: Depreciation 950 882 939 875 Impairment of tangible and intangible assets -472 0 -472 0 Provisions 69 188 69 188 Foreign exchange differences -56 -79 -55 -75 Net (profit)/Loss from investing activities -45 -4 -788 -454 Interest and other financial expenses 1.167 1.087 1.164 1.084</p> <p>Plus or minus for Working Capital changes: Decrease/(increase) in Inventories -469 -1.283 -469 -1.283 Decrease/(increase) in Receivables -5.857 75 -6.202 -320 (Decrease)/increase in Payables (excluding banks) -5.549 -7.415 -4.912 -6.909</p> <p>Less: Interest and other financial expenses paid -953 -841 -951 -838 Taxes paid -112 -200 0 0 <b>Total cash inflow/(outflow) from operating activities (a) -10.275 -6.328 -10.432 -6.580</b></p> <p><b>Cash flow from Investing Activities</b> Acquisition of subsidiaries, associated companies, joint ventures and other investments -450 -1.100 -450 -1.100 Purchase of tangible and intangible assets -885 -1.623 -884 -1.623 Proceeds from sale of tangible and intangible assets 1 22 1 22 Interest received 0 0 0 0 Dividends received 0 0 419 99 <b>Total cash inflow/(outflow) from investing activities (b) -1.334 -3.701 -914 -2.602</b></p> <p><b>Cash flow from Financing Activities</b> Proceeds from Borrowings 8.517 4.118 8.517 4.118 Payments of Borrowings -4.436 -883 -4.436 -883 Payments of leases -288 -219 -281 -213 Dividends paid to shareholders of the Company 0 0 0 0 <b>Total cash inflow/(outflow) from financing 3.793 3.016 3.800 3.022</b></p> <p>Net increase/(decrease) in cash and cash equivalents (a)+(b)+(c) -7.816 -6.014 -7.546 -6.160 Cash and cash equivalents at beginning of period 17.082 13.158 16.281 12.394 <b>Cash and cash equivalents at end of period 9.266 7.144 8.735 6.234</b></p>					
<p><b>1.3 STATEMENT OF CHANGES IN EQUITY</b></p> <p><i>(Consolidated and non consolidated) Amounts in € thousand</i></p>					
		GROUP		COMPANY	
		30.06.2020	30.06.2019	30.06.2020	30.06.2019
<p>Total equity in the beginning of the year (1/1/2020 and 1/1/2019 accordingly) 16.390 15.139 15.391 14.416 Total comprehensive income after taxes (continued and discontinued operations) 974 883 1.291 904 Increase / (Decrease) of Share Capital 0 0 0 0 Cancellation of own shares 0 0 0 0 Other Changes 0 0 0 0 Non controlling interests 0 0 0 0 Dividends distributed 0 0 0 0 <b>Total equity at the end of the period (30.06.2020 and 30.06.2019 accordingly) 17.364 16.022 16.682 15.320</b></p>					
<p><b>1.2 STATEMENT OF COMPREHENSIVE INCOME</b></p> <p><i>(Consolidated and non consolidated) Amounts in € thousand</i></p>					
		GROUP		COMPANY	
		01.01-30.06.2020	01.01-30.06.2019	01.01-30.06.2020	01.01-30.06.2019
<p>Turnover 33.043 29.732 31.672 28.450 Gross Profit 7.077 7.975 7.487 6.595 Profit before taxes, financing and investing activity 2.044 2.346 1.477 1.786 <b>Profit before Profit before taxes 1.062 1.261 1.245 1.152</b> Profit after Profit after taxes (A) 640 783 950 802 - Owners of the parent 640 783 950 802 - Non controlling interests 0 0 - - 640 783 950 802</p> <p><b>Other comprehensive income after taxes (B)</b> 334 100 341 102 Total comprehensive income after taxes (A)+(B) 974 883 1.291 904 - Owners of the parent 974 883 1.291 904 - Non controlling interests 0 0 - - Earnings (after taxes) per share - basic in € 0,0991 0,1213 0,1471 0,1242 <b>Profit before taxes, financing and investing activity and depreciation 2.994 3.228 2.416 2.661</b></p>					
<b>Additional information</b>					
<p>1. The shares of the company were listed on the Athens Stock Exchange on 29-9-2000. The earnings per share were calculated based on the weighted average number of ordinary shares in issue amounting to 6.456.530. 2. The companies of the Group, the percentage ownership and the consolidation method for the ending period are disclosed in note 4.6.13 of the six month interim financial report of 2020. 3. The tax un-audited years of the Company and the Group are disclosed in note 4.6.30 of the six month interim financial report of 2020. 4. The company has formed a provision for the tax unaudited years, for the amount of 61 thousand, in order to cover the possibility of additional taxes (note 4.6.30). No other reserves are formed (note 4.6.28). 5. There are no other disputed or under arbitration cases of national or administrative courts that may have a material effect on the financial position of the Company. 6. There are no other real liens on non-current assets or property, except, at the Company level, the underwriting, amounting to € 1.200 thousand, on the property situated at 6 Loch. Dedouli St., Cholongos, Athens, and the underwriting amounting to € 4.000 thousand, on the property situated at 302 Ave. Messogion, Cholongos, Athens and, at the Group level, the underwriting, amounting to € 7.540 thousand, on the property situated at 312 Ave. Messogion, Cholongos, Athens, and the underwriting, amounting to € 1.200 thousand, on the property situated at St. Giannini-Kariorvili &amp; Patr. Kyrilou, Thessaloniki. 7. The personnel employed at 30.06.2020 for the Group amounted to 390 persons and for the Company amounted to 388 while as at 30.06.2019 amounted to 356 and 355 respectively. 8. The same Accounting Policies have been followed as for the financial statements as at 31.12.2019 9. Note 4.3 of six month interim financial report of 2020, refers to the comprehensive income after taxes for the company and the Group. 10. Intercompany transactions for the period from 1 January 2020 to 30 June 2020 according to I.A.S. 24 are as follows:</p>					
		GROUP		COMPANY	
		91	910	9	9
a) Sales of goods and services		0	0	0	0
b) Purchases of goods and services		33	433	0	0
c) Receivables from related parties		644	644	2	2
d) Payables to related parties		2	2	35	35
e) Key management compensations		0	0	0	0
f) Receivables from key management		0	0	0	0
g) Payables to key management included in above		0	0	0	0
<p>The company has guaranteed to financial institutions for bank credit limits for the subsidiary SPACE HELLAS (CYPRUS) Ltd up to the amount of € 33 thousand, through the issuance of letters of guaranty.</p>					
CHAIRMAN OF THE BOARD OF DIRECTORS		CHIEF EXECUTIVE OFFICER		CHIEF FINANCIAL OFFICER AND EXECUTIVE MEMBER OF THE BOARD	
SPYRIDON MANOLOPOULOS		IOANNIS MERTZANIS		IOANNIS DOULAVERIS	
CHAIRMAN OF THE BOARD OF DIRECTORS		CHIEF EXECUTIVE OFFICER		CHIEF FINANCIAL OFFICER AND EXECUTIVE MEMBER OF THE BOARD	
AGIA PARASKEVI, 25 September 2020		AGIA PARASKEVI, 25 September 2020		AGIA PARASKEVI, 25 September 2020	
SPYRIDON MANOLOPOULOS		IOANNIS MERTZANIS		IOANNIS DOULAVERIS	
AGIA PARASKEVI, 25 September 2020		AGIA PARASKEVI, 25 September 2020		AGIA PARASKEVI, 25 September 2020	
AGIA PARASKEVI, 25 September 2020		AGIA PARASKEVI, 25 September 2020		AGIA PARASKEVI, 25 September 2020	
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AGIA PARASKEVI, 25 September 2020		AGIA PARASKEVI, 25 September 2020		AGIA PARASKEVI, 25 September 2020	
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## **6 GROUP'S WEB SITE AND AVAILABILITY OF THE PUBLISHED FINANCIAL REPORT**

We certify that the attached interim financial report, from pages 1 to 81 includes the financial statements of the Group and company SPACE HELLAS SA for the period from January 1, 2020, to June 30, 2020, which have been approved by the Board of Directors of SPACE HELLAS SA on September 25th, 2020, and have been published by posting them on the internet, at the address <http://www.space.gr> and have been signed by the following:

CHAIRMAN OF  
THE BOARD OF DIRECTORS

CHIEF EXECUTIVE  
OFFICER

CHIEF FINANCIAL  
OFFICER AND MEMBER  
OF THE BOARD

CHIEF  
ACCOUNTANT

**SPYRIDON  
MANOLOPOULOS**

**IOANNIS  
MERTZANIS**

**IOANNIS  
DOULAVERIS**

**ANASTASIA  
PAPARIZOU**