intracom

INTRACOM HOLDINGS SA

Annual Report
for the year 2018 (1 January - 31 December 2018)
in accordance with Law 3556/2007

Contents

A) Directors' Statements

B) Board of Directors' Report

C) Independent Auditors' Report

D) Annual Financial Statements in accordance with IFRS

The attached annual financial statements of the Group and the Company were approved for issue by the Board of Directors on 19 April 2019 and have been published on www.intracom.com.

THE CHAIRMAN OF THE BoD	THE VICE CHAIRMAN OF THE BOARD OF DIRECTORS AND MANAGING DIRECTOR
S. P. KOKKALIS **ID No A1 091040 / 05.10.2009**	**D. C. KLONIS** **ID No AK 121708 / 07.10.2011**

THE CHIEF ACCOUNTANT

SP. B. PETRAKOS
ID No Π 056768 / 28.01.1993
A' Class Licence No 25195

A) Directors' Statements

(pursuant to article 4 par. 2 of Law 3556/2007)

1. Sokratis P. Kokkalis, Chairman of the Board of Directors
2. Dimitrios C. Klonis, Vice Chairman of the Board of Directors and Managing Director,
3. Sotirios N. Filos, Member

Declare that:

As far as we know:

a. the accompanying financial statements of **"INTRACOM HOLDINGS SA"** for the year 01/01/2018 to 31/12/2018 which were drawn up in accordance with applicable accounting standards, reflect in a true manner the assets and liabilities, equity and results of the Company and of the undertakings included in consolidation, taken as a whole, and

b. the annual report of the Board of Directors is a true representation of the progress, the performance and the financial position of the Company and of the undertakings included in the consolidation, taken as whole, including a description of the major risks and uncertainties they confront.

Peania, 19 April 2019

THE CHAIRMAN OF THE BoD

S. P. KOKKALIS
ID No A1 091040 / 05.10.2009

THE VICE CHAIRMAN OF THE BOARD OF DIRECTORS AND MANAGING DIRECTOR

D. C. KLONIS
ID No AK 121708 / 07.10.2011

THE MEMBER OF THE BoD

S. N. FILOS
ID No AA 016774 / 28.01.2005

B) Board of Directors' Report

ANNUAL REPORT OF THE BOARD OF DIRECTORS

OF INTRACOM HOLDINGS S.A.

FOR THE PERIOD 1/1/2018-31/12/2018

(in accordance with the provisions of Article 6(5) of Law 3556/2007)

Major events in 2018 – Subsidiaries and Group overview

In January 2018 we were notified about Hellenic Supreme Court Judgment No. 1852/2017 which rejected the application for cassation filed by the main shareholders of TELEDOME S.A. against Athens Court of Appeal Judgment No. 224/2016 which had vindicated the Company. The Hellenic Supreme Court Judgment is non-appealable.

On 29.6.2018 the Ordinary General Meeting of Shareholders of INTRACOM HOLDINGS approved a restructuring of the Company's holdings and in accordance with the legislation on related party transactions granted special permission pursuant to Article 23a of Codified Law 2190/1920 for the sale and purchase of holdings and other financial assets in related parties as follows:

(a) purchase from the subsidiary INTRAKAT of:

1. 37.61% of INTRADEVELOPMENT
2. 80% of K-WIND KITHAIRONAS (30% of which belong to INTRAKAT and 50% to INTRAKAT INTERNATIONAL)
3. 50% of INTRABLUE
4. 100% of INTRAPOWER

(b) sale to the subsidiary INTRAKAT of:

1. 13.33% of MOREAS S.A. which has undertaken to design, finance, build, operate, maintain and run the Corinth - Tripoli – Kalamata motorway and the Lefktro - Sparta branch road, as well as 66,862,010 bonds issued by that company.
2. 13.33% of MOREAS S.A. which has undertaken to manage service stations on the said Corinth - Tripoli – Kalamata motorway and the Lefktro - Sparta branch road, and
3. 3.43% of HE & D S.A. which is active in the energy sector.

The price for those sales of shares and bonds was set based on a valuation done by independent firms of certified public accountants.

By 31.12.2018 the purchase of those companies by INTRAKAT had been completed as had the sale of HE & D S.A. to INTRAKAT.

The other approved transactions are still in the process of being completed. Based on the provisions of the concession agreement for the project entitled "Design, Build, Financing, Operation, Maintenance & Running of the Corinth - Tripoli - Kalamata Motorway and Lefktro - Sparta Branch Road", ratified and amended and in force, and the Articles of Association of the Concessionaire, MOREAS S.A., the relevant procedure for notifying and obtaining approval of the necessary contractual documents governing the operation and financing and the project and the Concessionaire has been launched, and the relevant steps are nearing completion by the lending banks and the project owner.

Following that, it is considered that the process will be completed within the first half of this year given the complexity of the way in which the project is being implemented in terms of the transaction, and how the project will operate and be financed, and given the legal framework the number of contractual parties involved at local and international level, and the existing situation and that a similar change in shareholdings had been handled in the past.

The 2nd repeat of the Company's Ordinary General Meeting of Shareholders of 29.6.2018 took the following share capital-related decisions:

- - To reduce the share capital by € 121,066,654.36 as follows:
  a) by € 36,654.36 by cancelling 25,996 own shares and
  b) by € 121,030,000.00 by setting off losses by reducing the nominal value of the 133,000,000 remaining shares from € 1.41 to € 0.50 per share.

- To increase the nominal value of each share from € 0.50 to € 1.00 by merging the 133,000,000 existing shares at a ratio to 2 old to 1 new share, and by reducing the total number of shares to 66,500,000 in a reverse split.

- To increase the share capital by capitalising reserves of € 9,500,000.00 and issuing 9,500,000 new shares with a nominal value of € 1.00 each and distributing them gratis to shareholders in the company at a ratio of 1 new share to 7 old ones.

Following this, Company share capital stands at € 76,000,000.00 divided into 76,000,000 ordinary registered shares with a nominal value of € 1.00 each.

On 6.12.2018 the Extraordinary General Meeting elected a new 7-member Board of Directors for a 5-year term in office comprised of:

Sokratis P. Kokkalis, Chairman of Board of Directors, executive member

Dimitrios C. Klonis, Vice Chairman of the Board & CEO, Executive Member

Konstantinos S. Kokkalis Vice Chairman of the Board , Non-executive Member

Georgios A. Anninos, Vice Chairman of the Board , Non-executive Member

Konstantinos G. Antonopoulos Non-executive Member

Sotirios N. Filos Independent Non-Executive Member

Ioannis E. Kallergis, independent non-executive member

The business activity of the other companies in the Group during 2018 can be summarised as follows:

The **INTRAKAT Group** continued to implement construction and infrastructure, telecom, RES and environmental projects and to build complex tourism, hotel and residential infrastructure.

The FRAPORT project involving 14 regional airports, with a budget of € 357 million, is fully under way. In early 2019 the Zakynthos, Hania and Kavala airports were completed and delivered.

In November the Company sign a contract for a total of € 66.5 million to build a 4-track railway corridor in the section of track from the Athens Railway Station to Three Bridges (Tris Gefyres) putting the section in the Sepolia area underground, on behalf of ERGA OSE S.A.

In the second half of 2018 the company signed contracts to build and maintain electricity distribution networks on behalf of HEDNO for a total budget of € 33.9 million.

In the second half of 2018 the company signed a contract for the design, supply, transport, installation and commissioning of a wind farm with a total capacity of 30 MW and a 400/20 kV very high voltage centre, with a 100 MVA capacity on behalf of PPC Renewables, with a total budget of € 43 million.

During 2018 the company was also declared lowest bidder for sections 2 and 3 of the Patra - Pyrgos motorway and the relevant contracts are expected to be signed soon.

The **INTRADEVELOPMENT Group** is constantly expanding its operations in the real estate sector. During 2018 after permitting procedures were completed, work to rebuild a listed building on Kolokotroni St., Athens commenced. It has been leased for 20+20 years from the Army Share Fund and will be used as a 45-room boutique hotel. During the year the overall plans and design were completed for an investment plan involving a 5* hotel resort to be built on a plot covering around 10 ha on Mykonos that is owned by the group. It will be developed in partnership with an international strategic investor, specialised in real estate and luxury hotel developments. In addition, in December 2018 the company sold its 70% stake in the Inestia Group which included 2 boutique hotels (the MET 34 in the centre of Athens and the Branco Hotel on Mykonos). In December 2018 the company also reached agreement for the sale of the second of three villas it has built on Mykonos, to a foreign investor,thereby confirming that the INTRADEVELOPMENT Group's strategic focus on Mykonos, Santorini and the centre of Athens is the right one.

The **INTRASOFT International Group** started the year by successfully delivering the Electronic Cargo Tracking Note (ECTN) management platform as part of its ongoing collaboration with the Bureau International Maritime (BIM) and the Port Autonome de Cotonou (PAC) in the Republic of Benin. The ECTN platform's aim is to fully monitor traffic to the port of Cotonou and to provide a clear picture of the various types of cargo being handled at any given moment.

Via its Kenyan subsidiary, INTRASOFT International East Africa, in February it sponsored the annual SACCO Leaders conference in Mombasa, Kenya, fully reflecting its position as a long-term player in the East Africa financial services market. With its recent successes in the banking sector in Kenya, Tanzania and Uganda, INTRASOFT has been able to fully adapt its PROFITS® (Integrated Core Banking System) to meet the developing needs of the SACCO and to fully support their mission.

In March INTRASOFT International was selected by the Bahrain Social Insurance Organisation (SIO) to provide a comprehensive solution to automate pension, contribution collection and financial service management processes. The 24-month long contract is divided into implementation, support and maintenance periods. The new system will help the SIO fulfil its basic operational objectives, which include standardisation, e-government, and interoperability, and continuing system development. It was a major success for the company which is investing in turning its core services in the e-customers, social insurance, health insurance, taxation and compliance sectors into products.

In March the contract with the European Commission to managing the European Data Portal was also renewed for another 3 years. Under the terms of the new contract, INTRASOFT International will continue to coordinate all technological rollouts by associates and will monitor the cloud infrastructure. The portal will also be significantly improved thanks to an ambitious development plan drawn up by INTRASOFT in partnership with the other associates. The European Data Portal is a major milestone in European efforts to provide access to public data across all of Europe.

In April INTRASOFT International, as an outward looking organisations, founded a new subsidiary in Cape Town, South Africa. It is the newest member of the constantly growing global INTRASOFT family. This move highlights its ability to identify and utilise high added value personnel around the globe. The 15-member INTRASOFT team in Cape Town is already focusing on government sector projects in the fields of taxation, revenue management and e-customers, which are sectors that now constitute the company's most recognisable competitive advantage in the government projects sector worldwide. The local team's extensive experience also creates the potential for new business opportunities in the wider area to emerge.

In July it undertook the digital transformation of the Moroccan National Insurance Fund (CNSS) developing a new IT system for it. It is a milestone for INTRASOFT, since it expands its global presence in the social security system and health insurance markets, capitalising on its unique know-how. INTRASOFT is focusing on automating processes in the mandatory health insurance sector and on refunding health expenses for healthcare services provided to employees in the Moroccan private sector. The new system will meet CNSS' needs, which is to say it will integrate various business structures into a consolidated platform with one central database. It will also allow data to be recorded and validated online, and will manage and control Medicare services and revenues more efficiently and effectively. INTRASOFT will help CNSS achieve its objectives for online integration and interoperability, and assist the entire organisation transition to paperless operations.

In July INTRASOFT International was also selected by Cyta Cyprus following an international tender process to support the Cypriot telecom company in its process of digital transformation. As part of this new partnership INTRASOFT International will play a key role in modernising Cyta Cyprus's marketing and customer service potential, through a series of cutting-edge technological improvements. Cyta Cyprus' existing BSS systems will be replaced by new, improved ones, to ensure a seamless overall experience. It is worth pointing out that the contract covers an extensive range of systems such as CRM, Billing, Middleware and peripheral systems.

In August it won the European Commission's DIGIT-TM tender procedure and undertook to provide IT consulting services in Luxembourg. Along with its other partners in the joint venture, INTRASOFT will oversee and coordinate all consultancy services relating to the design, development and implementation of IT system in Luxembourg. Before that, INTRASOFT will lead the process of analysing and evaluating system, quality and business architecture requirements.

In September INTRASOFT International renewed its partnership agreement with the EU Publications Office, providing support services to all users. For the next 4 years INTRASOFT will continue to support the Publications Office in all official EU languages, answering written and oral requests on matters ranging from simple questions about the Publications Office itself to specialised questions about how specific e-services work, including legal issues and public procurement in particular. As an indication of the range of services INTRASOFT has already provided, in 2017 there were more than 20,000 requests submitted in all EU languages.

In September it also renewed its partnership agreement with the European Parliament, providing user IT support services. Services primarily related to the cities of Brussels, Luxembourg and Strasbourg, and the contract also included personalised services for the staff of the European Parliament and MEPs, in their local constituencies. Under the terms of the renewed contract, INTRASOFT International and the other partners in the joint venture will provide the European Parliament, the Translation Centre for the Bodies of the European Union, the European Committee of the Regions, and the European Economic and Social Committee with customer service and a wide range of additional IT services.

In October INTRASOFT International, as a member of a joint venture, won a contract to host European Union Agency for Cybersecurity (ENISA) events and meetings. Over the next 4 years INTRASOFT will provide its new client with online event management services and event organisation services.

In the context of strategic development via technological innovation and partnerships with start-ups, INTRASOFT International announced its participation in WeMetrix in October which is a company that develops data analytic solutions that focus on credit risk management. WeMetrix innovates by offering company and bank financial managers a comprehensive SaaS toolkit which simply and easily utilises complex, new generation econometrics, and predictive and prescriptive data analysis techniques.

In January **INTRACOM Defense Electronics (IDE)** participated in the OCEAN2020 programme which is the European Defence Fund's first initiative to bolster European defence capabilities. The programme is an EU initiative for preparatory action for defence research, and was chosen for funding after a tender procedure run by the European Defence Agency (EDA). The OCEAN2020 programme team led by the Italian firm Leonardo consists of 42 partners from 15 European countries including the Ministries of Defence of Italy, Greece, Spain, Portugal, and Lithuania, with the support of the Ministries of Defence of Sweden, France, the UK, Estonia and the Netherlands. The Greek partners are expected to make a real contribution to the success of the OCEAN2020 programme. More specifically, IDE in partnership with BARRACUDA, a Greek shipbuilder specialised in the manufacture of inflatable craft, will provide an unmanned surface vehicle (USV) to the programme to be used for maritime surveillance and boarding in the Mediterranean. IDE is also responsible for various tasks related to analysis the specs for USVs, using the communications technologies and architectures which will be employed In the programme, and for the security of communications (COMSEC) and information (INFOSEC). In addition, IDE will be the point of contact and programme coordinate along with the Greek Ministry of Defence.

In February IDE and the Aristotle University of Thessaloniki signed a contract to develop unmanned aircraft systems (UAS). Under this Agreement, IDE will collaborate with the Fluid Mechanics and Turbomachinery Laboratory of the AUTH's School of Mechanical Engineering. In particular, the AUTH has undertaken to design and study the aeronautical aviation and engineering aspects, while IDE is the main contractor responsible for integrating all modern electronic communications, surveillance, data transfer and telemetry systems and for the base, control and communication stations. In parallel the UAS will be a platform for integrating products and services from other specialist Greek firms and the first tests were carried out in the second half of 2018.

In February a turn-key, integrated Maritime Interdiction Operations support system was successfully delivered. The system was delivered to the Indonesian Navy and is based on IDE's iDefender security - surveillance system. Using the IDE system, the Indonesian Navy's Western Fleet acquired identification, surveillance, command and control capability and digital intercom capability to exchange operational information in real time, between the theatre of operations and the land-based command centre, to safeguard legality in the area of the maritime borders between Indonesia and Singapore.

In May IDE delivered upgrades to the M109 vehicles to the Greek Army, employing GENAIRCON hybrids, which proved to be a success in tests. IDE signed a contract with BAE Systems Land and Armaments in 2017 to supply and integrate GENAIRCON hybrid systems into the Greek Armed Forces' M109 vehicles. The system has been designed, developed and manufactured by IDE and is based on its Hybrid Electrical Power Systems (HEPS) range.

In May it also received a major distinction from Raytheon at its annual awards ceremony in Boston, Massachusetts, USA. It was the 9th consecutive time IDE received an award from Raytheon for its outstanding performance and quality, receiving a 4-Star Supplier Excellence Award. Raytheon's annual Supplier Excellence Awards focused on honouring suppliers that have offered outstanding services and corporate relations that go beyond customer requirements. Candidates are evaluated based on criteria that include total quality and timely delivery.

In June it took part in: (a) the international defence and security fair EUROSATORY 2018 where it presented the new version of its GENAIRCON Hybrid power supply and management system which is intended for command, control and communications centres. (b) the 9th NATO annual conference at the Maritime Interdiction Training Centre on Crete, where it presented a suite of Maritime Interdiction Operations (MIO) support tools to an international audience, which is a tool based on operational needs that relies on IDE's iDEFENDERcommand and control software platform and WiWAN broadband communication systems.

In September IDE signed a new contract with Raytheon, continuing its long, successful involvement in the manufacture of Patriot aerial defence systems. The contract is for USD 38.1 million and is expected to be completed in July 2020. Under it, IDE will outsource a significant part of the work to other Greek firms, thereby making a positive contribution to Greece's industrial production. Under the agreement, IDE will rely on its own potential, reliability, quality and cost competitiveness, to expand and further establish its international presence and focus.

In September it also expanded its partnership with the German firm Diehl Defence, signing a 5-year framework agreement worth € 10 million. The contract relates to serial production of critical electronic missile sections developed by IDE and successfully tested during prolonged tests during certification of the IRIS-T SLM (Surface Launched Medium range) aerial defence system.

In November IDE participated in the Innovative Energy Solutions for Military Applications (IESMA) 2018 conference and fair held in Vilnius, Lithuania, presenting its Hybrid Electrical Power Systems (HEPS) and its range of hybrid HG generators intended for deployment by mobile tactical forces.

In December it successfully participated in the final level C phase of the Army Warfighting Experiment 2018 (AWE 2018), Autonomous Warrior (Land), the largest exercise of its type conducted so far and held of the Salisbury Plain Training Area in England. AWE18 was an innovative process, aimed at evaluating robotic and autonomous system (RAS) technologies to increase the survival rate and achieve operational advantages on the battlefield. It is worth pointing out that of the 172 potential products submitted worldwide, 25 companies offering innovative, high tech products were chosen. IDE worked closely with the British Army Armoured Trials & Development Unit (ATDU) and integrated the GENAIRCON hybrid system, a smart system for managing energy into a armoured Warrior FV510 TES tank. During AWE18 GENAIRCON proved its operational superiority as an autonomous vehicle power supply and management system, offering more than 20 hours of true silent watch with fully operational, autonomous capability.

Financial results

The INTRACOM HOLDINGS Group's consolidated sales for 2018 stood at € 470.7 million compared to € 397.1 million in 2017, up 18.5%.

The INTRAKAT Group reported sales of € 232.1 million, compared to € 147.2 million in 2017, with turnover up 57.7% due to full development of new company projects and in particular the project involving the 14 regional airports. The INTRAKAT Group accounts for 50% of the Group's overall sales. The INTRASOFT International Group, with sales of € 170 million, reported a figure slightly down on 2017 (-1.8%). IDE's volume of sales stood at € 60 million compared to € 66 million in 2017. The INTRADEVELOPMENT Group reported sales of € 4.5 million compared to € 4.7 million in 2017 and K-WIND reported sales of € 6.7 million compared to € 5.7 million.

The Group's operating profit (EBITDA) for 2018 stood at € 32.2 million (EBITDA in 2017% € 29.3 million) up 10%. INTRASOFT INTERNATIONAL'S EBITDA of € 12 million contributed significantly to the consolidated EBITDA (37.3%), followed by INTRAKAT's EBITDA of € 10.3 million compared to € 8.4 million in 2017.

The Group's consolidated EBT stood at € 6.8 million (EBT in 2017: € 4.2 million). EAT were losses of € -2.3 million (EAT in 2017: € -1.1 million).

Group total equity stood at € 263.1 million compared to € 270.3 million as at 31.12.2017. Parent company equity stood at € 264.6 million compared to € 268.6 million on 31.12.2017.

Group total assets stood at € 779.3 million compared to € 789.5 million on 31.12.2017, while Company total assets stood at € 322 million compared to € 335.7 million on 31.12.2017.

The Group's overall borrowing on 31.12.2018 stood at € 209 million compared to € 243.5 million on 31.12.2017. Net borrowing stood at € 133.2 million compared to € 95.3 million on 31.12.2017. This rise financed the increase in assets.

The financial indicators that reveal the Group and Company's static financial position is as follows:

	GROUP		COMPANY	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Financial Structure ratios				
Current assets/Total assets	59,3%	58,5%	15,5%	28,6%
Equity/Total liabilities	51,0%	52,1%	460,9%	400,5%
Equity/Fixed assets	115,6%	116,0%	448,7%	444,7%
Current assets/Short-term liabilities	116,6%	123,8%	108,2%	164,1%
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Profitability ratios				
EBITDA/Sales	6,9%	7,4%	-9,0%	53,9%
Gross profit/Sales	14,9%	18,4%	15,2%	14,3%
EBT/Sales	1,5%	1,0%	-74,2%	-0,4%

Own Shares

Implementing the decision of the Ordinary General Meeting of Shareholders on 30.6.2016 the Company purchased 243,000 own shares in 2018 with a nominal value of € 342,630 and acquisition value of € 158,521.
Following that, implementing the decision of the Ordinary General Meeting of Shareholders on 29.6.2018 the Company purchased 211,000 own shares with a nominal value of € 297,510 and acquisition value of € 123,643.
Following cancellation of 25,996 own shares on 10.9.2018, the reverse split of 14.9.2018 and the distribution of gratis shares on 20.9.2018 (decision of the 2nd repeat ordinary general meeting on 23.7.2018) the Company held a total of 261,145 own shares (0.39% of its share capital).
It then purchased 218,703 own shares with a nominal value of € 218,703 and acquisition value of € 203,375.
On 31.12.2018 the total number of own shares in the Company's possession was 479,848 ordinary with a nominal value of € 1.00 each and acquisition cost of € 485,182.
Those shares account for 0.63% of the company's total paid-up share capital.

The company has no branches.

Important Events after the Balance Sheet Date

On 15 January 2019, as a follow-on to the MoU signed with Mr. D. Koutras on 30.8.2018 the Company transferred 20% of the shares in the subsidiary INTRAKAT S.A. for a price of € 8 million.

Moreover, in March the Company set up a company in Luxembourg in which it is the sole shareholder, and to which the subsidiaries INTRASOFT INTERNATIONAL AND INTRACOM DEFENSE were contributed.

Objectives and Prospects

The Intracom Holdings Group laid the foundations in 2018 for a new dynamic period of growth, setting out a comprehensive strategy to bolster its innovation focus, seeking to foster investment in innovation, make new high returns investments and restructure its portfolio.

In light of that, it was decided to restructure the Group's holdings. Based on its new business structure, the Company now operates in the following segments:

- Technology
- Construction/Infrastructure
- Real Estate/tourism infrastructure and
- Energy

Likewise, Intrakat focuses on construction and PPPs/concessions, investing in partnerships that offer know-how to the construction market, while seeking to foster the Group's competitiveness in this segment. It has put in place modern organisational structures, and has gained knowledge from implementing complex construction projects. The company's gradual expansion into foreign markets, especially those of the Balkans (Romania, North Macedonia and Albania) and Poland, where it has already engaged in significant construction activity on projects being implementing those regions, is considered vital for its future.

The INTRADEVELOPMENT Group seeks to develop tourist and residential infrastructure for development and sale as turnkey products. The Group's activities include: Tourism and urban properties, hotel development and management projects, office block development and management projects, on own account and for third parties. In partnership with an international strategic investor specialised in real estate, and in particular in the development and running of hotels, the Group is implementing an investment plan to develop a 5 star hotel resort on around 10 hectares of land it owns on Mykonos. Construction is expected to be completed and the hotel operational in 2021. It is also focusing on projects in the areas of Mykonos, Santorini and Athens.

In the energy sector, the Company's strategy includes developing wind and hybrid RES infrastructure. The company runs a 21MW wind farm in Viotia, and has already obtained permits to increase that capacity by 12MW.

In the technology sector:

The **Intrasoft International Group** seeks to hold a leading position worldwide offering innovative products and services to the wider public and private sector. The company's main focuses are:

- Investments in R&D and innovative start-ups, developing know-how and IP in the following sectors: Analytics and Blockchain
- Development of cutting edge software apps in fields where Intrasoft has deep subject matter expertise. Customs, taxation, social security and health, risk analysis and management, financial services.
- Development of cutting edge operability and protection apps.

IDE seeks to generate value by participating in large-scale projects in the fields of surveillance while continuing to make major investments in targeted R&D. Its strategy includes:

- Exploiting existing know-how from surveillance - security projects, and utilising relevant European programmes such as Horizon 2020 and Frontex.
- Promoting new innovative hybrid energy systems for military vehicles and weapons systems.

The INTRACOM HOLDINGS Group is moving into a new phase of development, expanding its portfolio, capitalising on the experience and know-how it has amassed and is also adapting its structures to modern business conditions, so as to maximise its value.

RISKS AND UNCERTAINTIES

Financial risk factors

As a Greek multinational INTRACOM HOLDINGS is exposed to financial risks such as market risk (changes in exchange rates, cash flow risks and fair value risk from changes in interest rates, and price risk), credit risk and liquidity risk. The Group's general risk management plan seeks to minimise the potential negative impact of the volatility of financial markets on the Group's financial performance.

The Group's financial liabilities consist of short-term loans, long-term loans, bonded loans and finance leases. Those products fund its working capital requirements, capex investments and the new projects the Group undertakes. In addition, the Group manages financial assets, mainly in the form of short-term deposits generated by its operating and investing activities.

At the end of the current period there was no exposure to derivative financial instruments. In all events, such products are only used to manage interest rate risk and foreign exchange risk since the approved policy does not permit them to be used for speculative purposes.

The types of financial risks which exist are explained in summary form below:

Market Risk

Foreign exchange risk

The Group's foreign exchange risk is considered to be relatively limited because in most cases where there are receivables in foreign currency under a contract, the corresponding liabilities in the same currency also exist. Contracts denominated in a foreign currency are almost entirely in USD, as are the corresponding liabilities.

As a rule physical hedging of foreign exchange risk is employed. If that is not satisfactory due to particularly high liabilities in a foreign currency, the option to use foreign exchange risk hedging mechanisms, via suitable baking products or using a foreign currency loan for the same amount, is examined on a case-by-case basis.

As for cash held in foreign currencies, the Group's policy is to hold the minimum amount required to cover its short-term liabilities in that currency.

Price risk

The Group has limited exposure to changes in the value of shares held as financial assets available for sale.

Cash flow risk and risk of change in fair value due to interest rate changes

Interest rate risk has been partially hedged by converting the majority of borrowing to floating rates exploiting the negative Euribor values. The weighted average interest rate for 2018 was down compared to 2017. During the current period it is expected that the specific risk will be limited since it is considered that it is most probable that the interest rates will remain stable for the near future.

Credit risk

The Group's commercial transactions are almost entirely entered into with reliable public and private sector organisations. In many cases there is also a long-term satisfactory trading history. However, in all events -given conditions on the Greek market- companies in the Group monitor all customer receivables carefully and if needed promptly take action in or out of court to ensure the receivables can be collected, thereby minimising any credit risk. Consequently the risk of bad debt is considered to be particularly limited.

As far as credit risk associated with the placement of cash assets is concerned, note that the Group only collaborates with financial organisations that have a high credit rating.

Liquidity risk

Each month the Group prepares and monitors a cash flow programme which includes both operating and investing cash flows. All companies in the Group submit a detailed cash flow and credit report each week to INTRACOM HOLDINGS so that it can effectively monitor and coordinate things at Group level.

Prudent liquidity management is achieved by employing a suitable mix of liquid cash assets and approved bank credit facilities. The Group manages the risks which could arise from the lack of adequate liquidity by ensuring that there are always secured bank credit facilities in place ready for use. Existing unused approved bank credit limits available to the Group are adequate to confront any possible shortfall in cash assets.

On 31.12.2018 the Group's short-term borrowing accounted for 52% of overall borrowing (56% in 2017) and long-term borrowing accounted for 48% (44% in 2017).

As for capital controls in Greece, the Group's international operations and export focus have helped companies successfully cope with the difficulties that existed and to continue their operations in all sectors without problems.

NON FINANCIAL ASSETS

Description of the business model

Via international investments and strategic partnerships INTRACOM HOLDINGS seeks to hold a leading role in developing countries in the wider geographical region comprised of Central and SE Europe, the Middle East, the Eastern Mediterranean and North Africa. Core pillars driving the company to the top are innovation, unparalleled services, a leading position in technology, investments in knowledge and constantly seeking out growth opportunities.

INTRACOM HOLDINGS' main concern when doing business is to ensure high standards of corporate governance, high levels of transparency and corporate responsibility, total respect for the environment, quality assurance, preventative measures to protect the environment, and it strives to ensure excellent working conditions and raise awareness among society as a whole about issues of concern to it.

In its attempt to satisfy its key stakeholders (customers, shareholders, employees) INTRACOM HOLDINGS implements a quality management system which guarantees an unwavering focus on those principles and full compatibility with the ISO 9001:2008 standard. This system is in line with the relevant Greek and European legislation and is fully compatible with international conventions.

Human Resources

One of the INTRACOM HOLDINGS Group's main advantages is the quality of its personnel who are the driving force behind its growth, to which a large share of its success thus far can be attributed. For that reason it attaches particular importance to personnel selection, training, evaluation and remuneration processes. The Group's policy is to attract high calibre personnel to meet its needs, to create a safe, fair working environment, to adopt objective evaluation criteria and also promote employee growth and development. It offers satisfactory pay and benefits and additional outpatient and inpatient insurance for all employees.

On 31.12.2018 the Group employed 2,672 staff (compared to 2,565 in 2017) and the Company employed 16 (compared to 15 in 2017). Scientific staff account for 66% of all employees.

Innovation - Research and Development

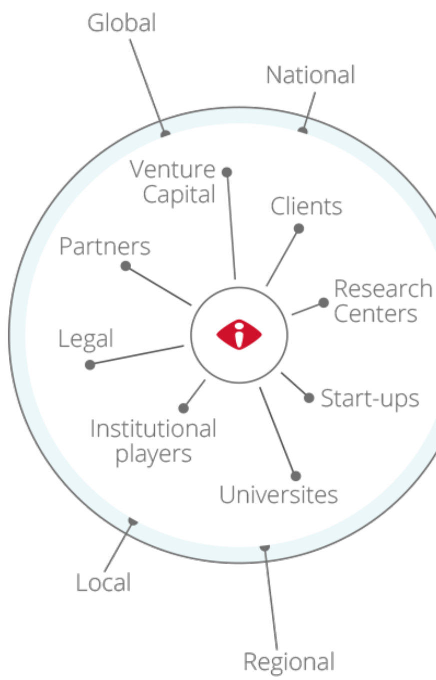
Companies in the Group have over the years invested significant amounts in R&D both for new innovative products and the development of integrated, turnkey solutions. The R&D divisions employ high calibre scientists in the fields of telecommunications, engineering and IT.

For almost 40 years, innovation has lain at the heart of Intracom's development model, and is consistently supported via major investments in R&D and multilateral partnerships with educational institutions and local research teams.

The valuable experience amassed by companies in the Group in research and managing innovation allows them to dynamically move towards sustainable development, to capitalise on new opportunities, to utilise innovative technologies and to develop smart environments in key sectors from industry to banking, and from education to health.

Via strategic partnerships with innovative trailblazers worldwide in various areas of expertise, from electronic systems and IT to cutting-edge green tech, we are constantly improving our products and services, capitalising on our experience in technology integration and proven skill in outsourcing services.

In addition, companies in the Group are actively involved in developing innovation networks, such as the European Enterprise Network (EN) and consistently support broad ties between the industrial sector and key innovation centres and recognised foundations for excellence.



Environmental issues

The INTRACOM HOLDINGS Group attaches primary importance to the value of environmental responsibility. That belief is also confirmed by the fact the since its early years of operation the Group has shown itself to be particularly socially aware, playing a leading role in initiatives to contribute to environmental protection in practical terms.

It is common cause that high tech companies play a major role in protecting ecosystems because they offer a sustainable, alternative solution to physical transport processes. The INTRACOM HOLDINGS Group is committed to maintaining an environmentally aware and responsible position and to managing its activities accordingly, implementing preventative measures to protect the environment and minimising any negative environmental impacts that may arise.

To that end, companies in the Group have developed and put in place Environmental Management Systems (EMS) that offer a well-structured approach to environmental issues and ensure continuous improvements in environmental performance by adopting specific environmental targets and documenting and monitoring programmes designed to achieve those targets.

In that context, methods for identifying and evaluating all environmental issues that arise from the Group’s operations and their relevant environmental impacts have specified and documented. Evaluation is done using predefined criteria, that include the applicable legislation and regulatory requirements. Continuous information about developments and future trends in national and EU environmental laws is provided thanks to access to legal databases.

Environmental activities

- Waste Management
- Recycling
- Use of more environmentally friendly materials
- Natural resource savings
- Eco product design
- Environment and local communities

Corporate responsibility

INTRACOM HOLDINGS is fully aligned with the 10 principles of the UN Global Compact relating to human rights work, the environment and anti-corruption. Unwavering in its principles and values, the Company pursues business in a rational, sustainable manner, and offers an excellent working environment, provides practical support to the local communities it operates in, and places emphasis on innovation and life-long learning.

As one of the first Greek companies to attain SA 8000 (social accountability) certification, the Company guarantees the existence of a safe work environment, implements non-discrimination policies and offers equal opportunities to all employees irrespective of gender, age or nationality. In addition, employees' trade union rights are fully respected, H&S rules are strictly adhered to, and open-door policies are implemented in a consistent fashion. Shareholders' rights and stakeholder interests are also safeguarded via transparency and accountability for all our actions and business transactions. Since 2001 INTRACOM HOLDINGS has been a member of the Hellenic Network for Corporate Social Responsibility, contributing to the development and promotion of corporate responsibility in Greece.

Transparency

INTRACOM HOLDINGS adopts modern corporate governance principles, and adheres to a system of laws, rules, procedures and best practices for company management and control in accordance with applicable Greek legislation and international best practices. Our corporate governance policies seek to safeguard shareholders' rights and the interests of all stakeholders, in a transparent manner, to take responsible decisions, to have effective internal and accounting audits, to suitably manage financial risk and to provide timely, proper information to all stakeholders.

The corporate governance policies we have put in place reflect our unwavering focus on rules of ethics and responsibility which govern how our executives take decisions, to ensure not just the company's sustainable development but also the interests of shareholders and all stakeholders over the long term.

Issues relating to internal and accounting audits, the transfer of information and reduction of business and financial risks are managed in accordance with the Greek Code of Corporate Governance for listed companies developed by the Hellenic Council for Corporate Governance.

IMPORTANT TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES

The Company's most important transactions with related parties, as defined in IAS 24, were transactions with subsidiaries and associates, and companies in which the main shareholder, INTRACOM HOLDINGS, participates. These are presented in the tables below:

Income & Receivables Period 1/1-31/12/2018
(amounts in thousands €)

SUBSIDIARIES	SERVICES	RENTAL INCOME	OTHER	RECEIVABLES
INTRAKAT SA	816	270	823	3.221
INTRADEVELOPMENT SA	-	3	43	3.039
INTRASOFT INTERNATIONAL SA (GR)	1.148	784	267	8.040
INTRACOM DEFENSE SA	194	-	-	18
INTRACOM OPERATIONS LTD	-	-	182	5.182
OTHER SUBSIDIARIES	-	13	51	51
Sum	**2.158**	**1.070**	**1.366**	**19.551**
OTHER RELATED PARTIES				
INTRALOT	303	556	3	1.539
OTHER RELATED PARTIES	-	4	-	2
Sum	**303**	**560**	**3**	**1.541**
TOTAL	**2.461**	**1.630**	**1.369**	**21.092**

Income & Receivables Period 1/1-31/12/2017
(amounts in thousands €)

SUBSIDIARIES	SERVICES	RENTAL INCOME	OTHER	RECEIVABLES
INTRAKAT SA	826	256	112	2.609
B.L. BLUEPRO	-	-	10	-
INTRASOFT INTERNATIONAL SA (GR)	1.144	743	286	8.081
INTRACOM DEFENSE SA	194	-	-	42
OTHER SUBSIDIARIES	2	23	-	72
Sum	**2.166**	**1.022**	**408**	**10.804**
OTHER RELATED PARTIES				
INTRALOT	317	556	637	13.887
OTHER RELATED PARTIES	-	4	-	3
Sum	**317**	**560**	**637**	**13.890**
TOTAL	**2.483**	**1.582**	**1.045**	**24.694**

Expenses & Liabilities Period 1/1-31/12/2018
(amounts in thousands €)

SUBSIDIARIES	SERVICES	PURCHASES OF FIXED ASSETS	OTHER	LIABILITIES
INTRAKAT SA	-	-	22.086	22.086
INTRAPOWER	134	23	-	17
INTRADEVELOPMENT SA	-	-	-	40
Sum	**134**	**23**	**22.086**	**22.143**
OTHER RELATED PARTIES				
INTRALOT	-	-	-	5.824
OTHER RELATED PARTIES	34	-	-	**-**
Sum	**34**	**0**	**0**	**5.824**
TOTAL	**168**	**23**	**22.086**	**27.967**

Expenses & Liabilities Period 1/1-31/12/2017
(amounts in thousands €)

SUBSIDIARIES	SERVICES	PURCHASES OF FIXED ASSETS	OTHER	LIABILITIES
INTRAKAT SA	-	-	1.500	1.500
INTRAPOWER	138	10	-	15
INTRADEVELOPMENT SA	-	-	-	40
INTRASOFT INTERNATIONAL SA (GR)	-	39	-	-
Sum	**138**	**49**	**1.500**	**1.555**
OTHER RELATED PARTIES				
INTRALOT	-	-	-	6.184
OTHER RELATED PARTIES	-	-	-	-
Sum	**0**	**0**	**0**	**6.184**
TOTAL	**138**	**49**	**1.500**	**7.739**

The following points can be made about the most important transactions for 2018:

Company revenues from service provision mainly relate to admin., accounting, legal and IT support, and other revenues primarily related to interest and the sale of shares in HELLENIC ENERGY AND DEVELOPMENT S.A. (€ 769) to INTRACOM CONSTRUCTIONS following the Ordinary General Meeting's decision to restructure the company's holdings.
Purchases from INTRAPOWER related to facility and network maintenance services and other purchased from INTRACOM CONSTRUCTIONS related to the acquisition of holdings in Intrapower (100%) (€ 800), K-Wind (80%) (€ 9,966), Intrablue (50%) (€ 600) and Intradevelopment (37.61%)(€ 10,719) following the Ordinary General Meeting's decision to restructure the company's holdings.

The price for those sales of shares involving INTRACOM CONSTRUCTIONS was set based on a valuation done by independent firms of certified public accountants. The other transactions were entered into at arm's length.

The fees of management executives and Directors in 2018 amounted to € 571 thous. (€ 571 thous. in 2017). There were no receivables or liabilities to Directors at the end of the period.

Peania, 19 April 2019

The Board of Directors

CORPORATE GOVERNANCE STATEMENT

This statement constitutes a special section of the Board of Directors' Annual Management Report and was drawn up in accordance with the relevant provisions of Codified Law 2190/1920 as replaced by Articles 152 and 153 of Law 4548/2018 as of 1.1.2019, and contains the information specified by those provisions as at 31.12.2018.

It relates to all principles adopted by the Company to safeguard its performance, shareholder interests and those of parties whose interests are associated with those of the Company.

1.1 Corporate Governance Code

1.1.1 Declaration of Company voluntary compliance with the Code of Corporate Governance

As a company listed on the Athens Exchange, the Company fully implements the relevant legislation on corporate governance for listed companies, whose provisions take precedence in all events. They are set out in Laws 4548/2018 (which replaced Codified Law 2190/1920 from 1.1.2019), 3016/2002, 4449/2017, as in force, and in decision No. 5/204/14.11.2000 of the Board of Directors of the Hellenic Capital Market Commission. The Company declares that at the current point in time it adopts the Greek Code of Corporate Governance prepared by the Hellenic Corporate Governance Council which is available on the websitehttp://www.athexgroup.gr/el/web/guest/esed-hellenic-cgc and on the Company's own website at: http://www.intracom.com /el/company/etairiki-diakyvernisi.

1.1.2 Derogations from the Corporate Governance Hellenikon Code and justifications Special provisions of Code not applicable to Company and explanation of reasons for non-application

As already mentioned, the Company applies the Corporate Governance principles set out in the relevant legislative framework, without derogations. They are the minimum content of any Code of Corporate Governance. However, as far as the Hellenic Code of Corporate Governance is concerned, at present there are certain derogations in place (including one case of non-application) and a brief analysis and explanation of the reasons for non-application is set out below.

Part A: The Board of Directors and its members

I. Size and composition of the Board:

- The Company's Board up to 6.12.2018 consisted of six members, comprised of one executive member and five non-executive members, two of whom were independent non-executive members.
The current Board was elected by the Extraordinary General Meeting of Shareholders on 6.12.2018 and consists of seven members, comprising two executive members and five non-executive members, two of whom are independent non-executive members.

The presence of two independent non-executive members on the Board ensures the necessary degree of objectivity and neutrality in the decisions the Board takes.
In determining the size and line-up of the Company's Board, ensuring the effective exercise of its powers is a primary concern. Regard is also had to the size, activity and ownership of the Company.
The Company seeks to ensure diversity, including a balance of genders in staff, taking into account requirements for company operations in conjunction with expressions of interest about taking up top management positions. In all events the Company implements an equal opportunities policy for all employees and job candidates.

II. Role and necessary competences of the Chairman of the Board of Directors

The Board has appointed (a) a 1st Vice Chairman and CEO who is an executive member and assists the Chairman in effectively performing nis duties and achieving company objectives and (b) two non-executive Vice Chairmen (2nd and 3rd) who help provide adequate information to non-executive members and ensure their effective participation in the supervision and decision-making process.

III. Nomination of candidates for the Board of Directors

- In accordance with Article 19(2) of the Company's Articles of Association, members of the Board of Directors are elected by the General Meeting of Shareholders for a term of 5 years, which is automatically extended to the first Ordinary General Meeting after the end of their term in office, which may not exceed 6 years.

This derogation is due to the need to avoid electing the Board at shorter intervals, which places added burdens on the Company in terms of reporting requirements and constant submission of legalisation papers to associated banks, credit institutions and other legal entities. Moreover, providing for a maximum term for members of the Board of just 4 years entails the risk that the elected Board may not be able to complete its task and put the effective management of company affairs and administration of the company's assets at risk.

- Up to 31.12.2018 the Board had not set up a separate committee to oversee the nominations process for Board elections.

This derogation can be explained by the fact that prospective members of the Board have, from establishment of the Company to the present day, met all conditions necessary for them being members of the Board, stand out for the high level of professional training, knowledge, experience and ethos.

However, the Board decided at its meeting on 18.1.2019 to replace the Remuneration Committee with the Remuneration and Nominations Committee, giving a single Board Committee the task of helping it choose candidates and setting their fees.

IV. Functioning of the Board of Directors.

- By 31.12.2018 the Board had not drawn up bylaws or adopted an annual calendar of meetings and 12-month action plan.

This derogation is due to the fact that the bylaws were not considered necessary given the Company's Articles of Association whose provisions were considered adequate when it came to the organisation and running of the Board.

However, at its meeting on 18.1.2019 the Board decided to draw up bylaws or adopt an annual calendar of meetings and 12-month action plan.

VI. Evaluation of the Board of Directors

- At present there is no standard procedure to evaluate the effectiveness of the Board of Directors and its committees nor is the performance of the Chairman of the Board of Directors evaluated as part of a process overseen by a non-executive member of the Board.

Having said that, when weaknesses or malfunctions about how the Board is organised or operates are identified, meetings and exhaustive talks are held at which the problems which arise are analysed. Besides the Board monitors and re-examines how its decisions are being properly implemented at regular intervals, based on the timeframes specified, while the Board is evaluated each year by the annual Ordinary General Meeting of Shareholders.

Part B - Remuneration

I. Level and structure of remuneration

At its meeting on 14.12.2018 the Company's Board decided to operate a Remuneration Committee comprised of at least three non-executive members, the majority of whom are also independent Board members, so that the committee could assist the Board set the remuneration and other benefits for Board members and the Group's key management personnel. Then the Board decided at its meeting on 18.1.2019 to replace the Remuneration Committee with the Remuneration and Nominations Committee, giving a single Board Committee the task of helping it choose candidates and setting their fees.

The derogation thus far was justified by the fact that setting up and running such a Committee was not considered necessary by the Company's Board which dealt with setting remuneration and submitting the relevant proposals, ensured that the procedure was conducted objectively, in a transparent and professional manner, free of conflicts of interest. Of course, following the establishment of the Committee specifically to deal with those issues, the Board will be assisted by the Committee on these matters.

- Contracts with executive members of the Board do not specify that the Board can demand the return of all or part of the bonus provided, due to revised economic statements from past periods or generally based on erroneous financial data, used to calculate those bonuses.

This derogation is explained by the fact that any entitlement to bonuses vests only after final approval and auditing of the financial statements for the period they relate to.

<u>General note about the point in time at which Company non-compliance with the special practices adopted in the new Code of Corporate Governance will be rectified</u>

The Hellenic Code of Corporate Governance, valid from October 2013, follows the "comply or explain" approach and requires listed companies which adopt it to publish their intention in this regard and either comply with all special practices in the Code or explain the reasons for non-compliance with specific special practices.

Moreover, the relevant explanation of reasons for non-compliance with specific special practices is not only limited to a simple reference to the general principle or the special practice which the Company does not comply with, but should, among other things, include a reference to the extent to which the derogation from the provisions of the Code, is time-limited, and when the Company intends to come into line with those provisions.

Company derogations from the practices outlined in the Code cannot be considered as being subject to strict time limitations.

In all events, the Company is already examining current derogations from special practices adopted in the Code, and is exploring the possibility of complying with them, and the possibility of preparing and formulating its own Code of Corporate Governance.

1.1.3 Corporate Governance practices implemented by the Company beyond what is required by law

The Company faithfully implements the provisions of the relevant legislative framework on corporate governance. At present there are no practices implemented in addition to those specified.

1.2 The Board of Directors and committees comprised of its members

1.2.1 The Board of Directors (Role - Line-up and Operation)

1.2.1.1. The Board of Directors runs the Company and represents it both in and out of court and is responsible for decision on all things relating to company management, administration of its assets and achievement of its objectives in general, without any restriction (except for those issues which fall within the exclusive remit of the General Meeting). The primary obligation and duty of the Board members is to strive at all times to enhance the long-lasting financial value of the Company and to defend the overall company interests.

All Board members have a duty of loyalty to the Company. Board members and any third party to whom the Board has assigned duties are prohibited from seek own benefit which runs counter to the Company's interests and from benefiting, in business terms, through their acts which are detrimental to the Company. The Board members and any third person to whom its powers have been assigned should disclose to the other Board members adequately and in good time their personal interests that may arise from transactions of the Company falling under their duties as well as any other conflict of personal interests with those of the Company or related undertakings within the meaning of Article 32 of Law 4308/2014, which arises when they perform their duties.

Members are obliged to ensure confidentiality and to safeguard it in every way in relation to Company transactions, customers, advisors, associates, suppliers and so on. Any relevant information must only be used by members in the context of their work and not for personal gain or for the benefit of a third party to the detriment of the Company.

Directors are prohibited from holding posts on the Boards or in the management of competing companies and in general from engaging directly or indirectly in activities competing against those of the Company without the General Meeting's permission.

Directors are obliged to perform their duties with integrity, objectivity and professionalism and to dedicate adequate time to performing their duties.

1.2.1.2. The Board of Directors consists of between 3 and 11 members. The members of the Board of Board of Directors, whose number is specified within those limits, are elected by the General Meeting of shareholders in the company by ordinary majority of the votes represented at it, to serve for a period of 5 years, which is automatically extended to the first Ordinary General Meeting after the end of their term in office which may not be more than 6 years. Members of the Board of Directors may be re-elected and may be freely removed.

The General Meeting may also elect stand-in members of the Board to take the place of any who resign, die or lose their position in any other manner. Where it is not possible for stand-in members who have been elected by the General Meeting to take the place of missing Directors, the Board may by way of decision of the remaining members -provided there are at least 3- elect new members to replace the missing ones for the remainder of its term in office. That election decision shall be published and must be announced by the Board of Directors at the next General Meeting which can replace the elected persons, even if no such item has been included in the agenda.

In all cases of missing members (due to resignation, death or loss of membership in any other way), the Board is entitled -provided the number of remaining members exceeds half of the members who existed prior to the loss of membership occurred and in all events no less than 3- to decide to continue to manage and represent the Company without replacing the missing members in accordance with the foregoing paragraph.

The Board elects the Chairman from among its members, as well as between one and four Vice Chairmen, a CEO and up to two stand-ins for him, and also specifies their duties at the same time. The duties of Chairman and CEO may be performed by the same person. When absent or unable to attend, the Chairman is replaced to the full extent of his powers by the first Vice Chairman, and when he is unable to attend, he is replaced by the next Vice Chairman, and so on and so forth.

1.2.1.3. The Board of Directors shall also be validly met away from its seat at another location within the country or abroad, where all members are present or represented at the meeting, and none of them is opposed to the meeting being held or decisions being taken. The Board may meet by teleconference, in which case the invitation to the directors shall include the information necessary for their participation in the meeting.

The Board meets as often as necessary to ensure it effectively performs its duties, and at least once a month.

Board meetings are chaired by the Chairman and, if absent, by the Vice Chairman of the Board.

The Board of Directors shall have a quorum and be validly met when half plus one of the directors is present or represented at it but in all events the number of Directors present or represented may not be less than 3.

Decisions are taken by absolute majority of the members present or represented, unless the law or Articles of Association specify otherwise. In case of a tie, the vote of the Chairman is the casting vote. Each Director may validly represent only one other Director.

Board deliberations and decisions are recorded in summary form in a special register, which may also be maintained in electronic form. At the request of a director, the Chairman also enters an accurate summary of the director's opinion in the Board minutes. A list of persons present or represented at the meeting of the Board of Directors is also recorded in the Minutes.

The Board's Minutes are signed by the members present. Copies and extracts from the minutes are issued officially by the Chairman or his stand-in or the Company's CEO without requiring any other form of certification.

The drafting and signing of minutes by all members of the Board of Directors or their representatives is equivalent to a decision of the Board of Directors even if not preceded by a meeting.

Each Director is obliged to seek to attend all Board of Director meetings and those of the Committees on which they sit.

1.2.1.4. The Board of Directors, acting collectively, is responsible for taking decisions about any matter relating to management of the Company, administration of its and in general achievement of its objects, by defending the interests of shareholders and the investing public. As a whole, the Board has adequate knowledge and experience for the Company's activities so that it can oversee all company operations.

The Board of Directors is responsible for managing the Company and for determining its strategic focus, and has a primary obligation and duty to constantly strive to bolster the Company's long-term financial value and to defend the Company's general interests. To that end, when exercising its powers and performing its obligations, it must primarily take into account the interests of shareholders and Company stakeholders such as customers, creditors, employees and social groups affected directly by Company operations to the extent that there is no conflict with company interests. The Board takes decisions on a prudent businessman basis.

Decisions which are critical for the Company, and in particular which specify its objectives and determine its strategy, can only be taken by the Board.

The Board's main duties include:

- Approving the Company's long-term strategy and operational targets.
- Approving the annual budget and business plan and taking decisions on major capital expenditure, acquisitions and sales.
- Selecting when necessary replacements for the company's top executives, and overseeing succession plans.
- Being responsible for hiring company executives below the level of the Board and the succession plan.

- Monitoring and checking the top management performance procedure, and bring top executive remuneration into line with the Company's and shareholders' long-term interests.
- Approving the remuneration policy.
- Ensuring the reliability of the Company's financial statements and data, financial reporting systems and data and information published, and ensuring the effectiveness of internal audit and risk management systems.
- Recommending the dividends to be distributed.
- Supervising and checking transactions to ensure transparency and protect company interests.
- Ensuring the Company has an effective regulatory compliance process.
- Taking decisions and monitoring the effectiveness of the Company's management decision, including decision-making processes and delegation of powers and duties to other executives.
- Drawing up, disseminating and implementing the Company's basic values and principles that govern relations with all parties, whose interests are directly associated with the Company.

In order to avoid conflicts of duties, the Company has adopted best international practices and principles of corporate governance which relate to the segregation of executive and supervisory powers of members of the Board of Directors.

The Board of Directors consists of executive and non-executive members. Among the non-executive members there are at least 2 independent members who are appointed by the General Meeting in accordance with corporate governance principles. Executive members are engaged in day-to-day management issues for the Company while non-executive member are charged with handling all corporate issues.

In discharging their obligations, Board Members are entitled to free access to proper, up-to-date information.

1.2.1.5. To achieve company objectives and ensure that the Company operates without problems, the Board of Directors may, acting exclusively in writing, assign the exercise of all or part of its powers and competences (apart from those requiring collective action) and representation of the Company to one or more persons, be they Board members or not, at the same time setting out the extent of their powers. Those persons may further delegate the powers assigned to them in whole or in part where that is provided for in the Board decision delegating the powers to them.

The persons delegated the said powers can bind the Company as officers of the Company to the full extent of the powers delegated.

1.2.1.6. On 29.6.2018 the Ordinary General Meeting of Shareholders pre-approved payment of remuneration of non-executive members of the Board for 2018, in accordance with Article 24(2) of Codified Law 2190/1920 which applied at that time.

Following a decision of the Board on that matter, the remuneration was set at € 500 per meeting (gross after tax and other duties and third party levies) and related to attendance fees for Board members sitting on the Audit Committee.

During 2018 no other member of the Board of Directors received any remuneration for attending Board meetings.

Remuneration for management executives and members of the management team in 2018, including the fees of executive members of the Board, with a salaried relationship with the Company, amounted to € 571,025.

1.2.2 Information about members of the Board of Directors

1.2.2.1. The Company's current Board was elected by the Extraordinary General Meetings of Shareholders on 6.12.2018 and consists of the following 7 members:

Name-surname	Role	Assumed position on	Expiry of term of office
Sokratis P. Kokkalis	Chairman of Board of Directors, executive member	06.12.2018	06.12.2023
Dimitrios C. Klonis	1st Vice Chairman & CEO, Executive Member	06.12.2018	06.12.2023
Konstantinos S. Kokkalis	2nd Vice Chairman, Non-executive Member	06.12.2018	06.12.2023
Georgios A. Anninos	3rd Vice Chairman of the Board – non-executive member	06.12.2018	06.12.2023
Konstantinos G. Antonopoulos	Director Non-executive Member	06.12.2018	06.12.2023
Sotirios N. Filos	Director Independent Non-Executive Member	06.12.2018	06.12.2023
Ioannis E. Kallergis	Director Independent Non-Executive Member	06.12.2018	06.12.2023

Their term in office is for 5 years will be until 06.12.2023.

Prior to that election, the Company's Board of Directors which had been elected by the Extraordinary General Meeting on 19.9.2014, for a 5-year term in office, had the following line-up (as it stood following the resignation of D. Hatzigrigoriaidis and the election of I. Kallergis on 20.7.2015 to replace the person who had resigned, and then the reconstitution of the Board on 29.7.2015 and the resignation and non-replacement of G. Koliastasis on 12.5.2017):

Name-surname	Role	Assumed position on	Expiry of term of office
Dimitrios C. Klonis	Chairman of the Board and CEO-Executive member	29.07.2016	19.09.2019
Konstantinos S. Kokkalis	1st Vice Chairman, Non-executive Member	29.07.2016	19.09.2019
Georgios A. Anninos	2nd Vice Chairman of the Board – non-executive member	29.07.2016	19.09.2019
Konstantinos G. Antonopoulos	Director Non-executive Member	19.09.2014	19.09.2019
Sotirios N. Filos	Director Independent Non-Executive Member	19.09.2014	19.09.2019
Ioannis E. Kallergis	Director Independent Non-Executive Member	20.07.2015	19.09.2019

Résumés of members of the Board of Directors are available on the Company's website(https://intracom.com/el/company/dioikisi)

During 2018, the Company's Board of Directors met 35 times in total. More specifically:

- From 1.1.2018 to 5.12.2018 31 meetings took place, with one member attending 29 members, one member attending 30 meetings, and the other four members attending all meetings:

NAME-SURNAME	31 MEETINGS	
	ATTENDED	ABSENT
DIMITRIOS KLONIS	31	
KONSTANTINOS KOKKALIS	29	2
GEORGIOS ANNINOS	31	
KONSTANTINOS ANTONOPOULOS	30	1
SOTIRIOS FILOS	31	
IOANNIS KALLERGIS	31	

- From 6.12.2018 to 31.12.2018, four meetings took place, with one member attending three meetings, and the other six members attending all meetings:

NAME-SURNAME	4 MEETINGS	
	ATTENDED	ABSENT
SOKRATIS P. KOKKALIS	4	
DIMITRIOS KLONIS	3	1
KONSTANTINOS KOKKALIS	4	
GEORGIOS ANNINOS	4	
KONSTANTINOS ANTONOPOULOS	4	
SOTIRIOS FILOS	4	
IOANNIS KALLERGIS	4	

1.2.3 Board Committees

To improve Company and Group organisation, the Board has assigned the examination of specialist matters to the following special committees:

1.2.3.1. Audit Committee

The objective of the Audit Committee is to provide continuing support to the Board of Directors when exercising its supervisory functions and in discharging the Company's obligations to shareholders, investors and third parties, particularly in relation to the financial reporting process) and in particular in relation to:

(i) the integrity of the Company and Group's financial statements and the other financial data and information published by the Company.

(ii) the effectiveness of the Company's control systems including financial statement control mechanisms and

(iii) the Company's compliance with applicable laws and regulations.

The Company Audit Committee bylaws were drawn up in accordance with the provisions of Law 3016/2002 (Articles 6 to 8) on corporate governance and Law 4449/2017 (Article 44) on mandatory auditing of the annual and consolidated financial statements and public supervision of the auditing task. They were approved and took effect by means of Board decision dated 26.2.2014 and were then amended by decision of the Company's Board of Directors dated 27.4.2017, following a recommendation made by the Audit Committee.

The Audit Committee has the following responsibilities:

1. To brief the Company's Board of Directors about the results of the mandatory audit and explain how the mandatory audit contributed to the integrity of the financial information and what the Audit Committee's role in that process was.
2. To monitor the financial reporting process and submit recommendations or proposals to ensure its integrity.
3. To monitor the effectiveness of internal audit, quality assurance and risk management systems for the company, and as appropriate, for the Internal Audit Division, in relation to Company financial reporting, without compromising its independence.
4. To monitor the mandatory audit of the annual and consolidated financial statements and in particular its efficiency, taking into account any findings and conclusions by the competent authority in accordance with Article 26(6) of Regulation (EU) No 537/2014.
5. To review and monitor the independence of the certified public accountants or auditing firms in accordance with Articles 21, 22, 23, 26 and 27 and Article 6 of Regulation (EU) No 537/2014 and in particular the suitability of providing non-audit services to the audited entity in accordance with Article 5 of Regulation (EU) No 537/2014.
6. To be responsible for the process of selecting certified public accountants or auditing firms and to propose certified public accountants or auditing firms to be appointed in accordance with Article 16 of Regulation (EU) No 537/2014, unless Article 16(8) of Regulation (EU) No 537/2014 applies.

The current composition of the Audit Committee, appointed on 29.6.2018 by the Ordinary General Meeting of shareholders in accordance with the provisions of Article 44 of Law 4449/2017, is as follows:

S. Filos, , Chairman of the Committee (Independent Non-Executive Member of the Board)

K. Antonopoulos Committee Member (Non-Executive Member of the Board)

I. Kallergis, Member of the Committee (Independent Non-Executive Member of the Board),

The Audit Committee meets at least 4 times a year, namely every quarter, and on an extraordinary basis whenever required. In all events the relevant minutes are kept.

All members attend Audit Committee meetings. The Audit Committee also has the discretion to invite key management executives involved in corporate governance, whenever that is considered necessary, including the CEO, CFO, the chief accountant, and head of internal auditing, to attend specific meetings or specific items on the agenda.

At least twice a year the Audit Committee must arrange meetings with the external auditors without members of management being present, and separate meetings between management and the internal auditors.

To perform its duties in 2018, the Audit Committee met 6 times.

1.2.3.2. Remuneration and Nominations Committee

The Remuneration and Nominations Committee was set up by decision of the Board on 18.1.2019 and consists of three non-executive members of the Board, two of whom are independent members. That same decision also abolished the old Remuneration Committee which had been set up by a previous decision.

The Remuneration and Nominations Committee makes recommendations to the Board about all remuneration (fixed, variable, pre-emptive rights, stock option plans), for executive members of the Board, the level of remuneration for members of Board committees, the remuneration and other benefits policy for the Group's senior executives, and also regulates issues relevant to the Company's general remuneration policy.

The Remuneration and Nominations Committee's duties are as follows:

- To submit proposals to the Board about the remuneration for each executive member, including the bonus and incentives-based remuneration in the form of share allocations.
- To examine proposals and submit them to the Board, and via it, to the General Meeting of Shareholders when needed, about stock option plans or share distribution plans.
- To submit the proposed performance targets for Board member variable pay or targets tied into pre-emptive rights or stock options.
- To regularly re-examine the pay of executive members of the Board or other terms of their contracts with the Company, including remuneration, and in case they leave the company, their pension arrangements.
- To submit proposals to the Board about any business policy related to pay.
- To examine the Board members' annual remuneration report.
- To lay down the criteria for selecting and procedure for appointing members of the Board of Directors.
- To periodically evaluate the size and line-up of the Board of Directors and to submit proposals about its preferred profile for examination.
- To handle the Board candidate selection and appointment procedure and
- To submit proposals to the Board of Directors to select nominees.

The line-up of the Remuneration and Nominations Committee is as follows:

I. Kallergis, Committee Chairman (Independent Non-Executive Member of the Board)

K. Kokkalis Committee Member (Non-Executive Member of the Board)

S. Filos, Committee Member (Independent Non-Executive Member of the Board)

Diversity Policy

The Company has not adopted a specific diversity policy, including gender balance. However, the Company does implement an equal opportunities policy for all employees and job candidates based on the relevant employment legislation. Recruitment and evaluation procedures are based on qualifications, performance and skills of candidates and employees.

In addition, both from a legal viewpoint and a common sense of decency, every employee in the Intracom Group is entitled to work free from illegal discrimination and harassment due to gender, race, colour, nationality, seniority, citizenship, sexual orientation, religion, age, physical or mental disability, medical or family status.

1.3 The General Meeting of Shareholders

1.3.1 Functioning of General Meeting and main powers thereof

1.3.1.1. Under the Company's Articles of Association, the General Meeting of Shareholders is the supreme body and is entitled to decide on all matters relating to the Company. The procedures and rules for convening, participating in and taking decisions at the General Meeting and its competences are regulated in detail in the provisions of the Company's Articles of Association and Law 4548/2018 which repealed Codified Law 2190/1920 from 1.1.2019 onwards.

All shareholders are entitled to attend the General Meeting and vote, in person or via a duly authorised representative, in accordance with the lawful procedure specified from time to time. Decisions of the General Meeting taken in accordance with legal form shall bind even those shareholders who were absent or who disagreed.

The Board of Directors ensures that the preparation and holding of a General Meeting of shareholders facilitate the effective exercise of the shareholders' rights who should be fully informed about all the issues related to their participation in the General Meeting including the items on the agenda and their rights in the General Meeting.

1.3.1.2. The General Meeting of Shareholders is convened in accordance with the provisions of law by the Board of Directors and must meet at the Company's seat or in the territory of another municipality in the prefecture where it has its seat, or other municipality adjacent to the seat or in the territory of a municipality where the Athens Exchange has its seat, since Company shares are listed on the Athens Exchange and must meet at least once in each company year and no later than the 10th calendar day of the 9th month after the end of the accounting period. The Board of Directors may call the General Meeting of Shareholders to an extraordinary meeting when it considers that necessary or where so requested by shareholders who represent the necessary percentage specified in law or the Articles of Association.

With the exception of repeat and similar meetings the General Meeting is called at least 20 days before the date of the meeting, including non-working days and holidays. The date of publication of the invitation and the date of the General Meeting of Shareholders itself are not taken into account. The invitation for the General Meeting includes at least the place, date and time of the meeting, the items on the agenda, the shareholders entitled to take part, and precise instructions about how shareholders can take part in the General Meeting and exercise their rights in person or via a representative or remotely. The invitation is posted at a prominent location at the company's seat and published in the manner specified by the provisions in force from time to time.

1.3.1.3. The General Meeting has a quorum and is validly met on the items on the agenda when at least 1/5 the paid up capital is represented at it. Where this quorum is not attained, the General Meeting shall convene anew within 20 days from the day of the meeting that was cancelled after being invited for this purpose at least 10 days in advance. This repeat meeting has a quorum and is validly met on the items on the agenda regardless of that section of the paid-up capital represented at it. Decisions of the General Meeting are taken by absolute majority of the votes represented at the Meeting.

1.3.1.4. By way of exception, the General Meeting has a quorum and is validly met on the items of the agenda if shareholders representing 1/2 of the paid-up share capital are present or represented at it, when the decisions discussed relate to the following:

a) Change in the Company's nationality;

b) Change in the company's business scope;

c) increases in shareholder obligations;

d) an ordinary capital increase apart from those required by law or done by capitalising reserves;

e) a reduction in capital unless done in accordance with Article 21(5) of Law 4548/2018 or Article 49(6) of Law 4548/2018;

f) change in the profit distribution method;

g) the merger, split, conversion, revival, extension of effective term, or winding up of the company;

h) the granting or renewal of powers to the Board of Directors to increase the share capital in accordance with Article 24(1) of Law 4548/2018 and

i) any other case in which the law specifies that the General Meeting shall decide by qualified quorum and majority.

1.3.1.5. If the quorum referred to in the previous paragraph is not achieved at the first meeting, the General Meeting reconvenes within 20 days from that meeting, where an invitation has been issued at least 10 whole days beforehand, which has a quorum and is validly met on the items on the initial agenda when at least 1/5 the paid-up capital is represented at it. No second invitation is required if initial invitation specified the place and time of any repeat meetings that at least 5 days elapse between the meeting which was cancelled and the repeat meeting. All decisions on the above matters are taken by 2/3 majority of the votes represented at the Meeting.

1.3.1.6. The Chairman of the Board, the CEO, Chairman of the Audit Committee, the Company's internal auditors and the external auditors must attend the General Meeting of Shareholders to provide information and updates about issues brought for discussion and to provide answers to questions posed or clarifications sought by the shareholders.

1.3.2 Rights of shareholders and method for exercising them

1.3.2.1 Participation and voting rights

1.3.2.1.1. The Company's General Meeting may be attended by any person who is a shareholder at the start of the 5th day from the initial General Meeting (record date). That record date also applies in the case of postponed or repeat meetings, provided that the postponed or repeat meeting is no more than 30 days from the record date. If that is not so, or in the case of repeat General Meeting a new invitation is published in accordance with the provisions of Article 130 of Law 4548/2018, anyone who is a shareholder at the start of the 3rd day before the date of the postponed or repeat General Meeting may participate in the meeting.

Proof of shareholder status is provided based on a notice the Company receives from the company with the corporate name Hellenic Central Securities Depository S.A., which is the central securities depository offering registry services within the meaning of Article 40(5) of Law 4548/2018, where the Company's transferable securities are kept.

1.3.2.1.2. Shareholders may participate in the General Meeting in person or via a proxy. A shareholder may appoint up to 3 proxies. However, if a shareholder holds shares in a company which appear in more than one securities account, this limitation does not prevent the shareholder from appointing different representatives for the shares which appear in each securities account in relation to the General Meeting. The granting of such power of attorney may be freely revoked. A proxy acting for several shareholders may vote differently for each shareholder. The appointment and removal or replacement of the shareholder's representative or proxy shall be done in writing or by email and shall be submitted to the Company no later than 48 hours before the date set for the General Meeting. Notice of the appointment and removal or replacement of the proxy using electronic means can be done by email to the email address specified in the invitation to the General Meeting.

Shareholders may appoint a proxy for one or more General Meetings and for a specific period of time. The proxy shall vote in accordance with the shareholder's instructions, if there are any. Failure by the proxy to comply with the voting instructions provided does not affect the validity of the decisions of the General Meeting even if the vote of the proxy was decisive for achieving a majority.

The proxy form is available for shareholders in hard copy at the Company's Shareholder Relations Department or in electronic format on the Company's website(www.intracom.com).

Prior to the beginning of the General Meeting, the shareholder's proxy shall be obliged to notify to the Company every specific facts that may be useful for the shareholders in evaluating the risk of having the proxy serve interests other than those of the shareholder he represents.

Conflicts of interest may arise in cases where the proxy:

a) is a shareholder exercising control over the Company or is another legal person or entity controlled by such shareholder;

b) is a member of the Board of Directors or the overall management body of the Company or shareholder exercising control over the Company or other legal person or entity controlled by a shareholder exercising control over the Company;

c) is an employee or auditor of the Company or shareholder who exercises control over it, or another legal person or entity controlled by the shareholder who exercises control over the Company;

d) is spouse or first-degree kin to any of the natural persons set out in cases (a) to (c) above.

The Company's Articles of Association specify (though in technical terms this has still not been implemented) that shareholders can attend the General Meeting remotely using electronic means, without being physically present at the place where the meeting is taking place and can participate in votes either in the form of postal or electronic votes under the conditions laid down in Law 4548/2018.

1.3.2.2 Collective and individual minority rights

1. If shareholders representing 1/20 of the paid-up share capital so request, the Board of Directors shall be required to call an Extraordinary General Meeting of shareholders, appointing a day for the same that shall not be more than 45 days after the date upon which the Chairman of the Board received such request. The items on the agenda must be cited in the request. Where the General Meeting is not convened by the Board of Directors within 20 days from service of the request, it shall be convened by the applicant shareholders at the Company's expense by decision of a court whose judgment is handed down in line with the injunctive relief procedure. Such decision shall specify the place and time of the meeting and the items on the agenda. That decision may not be contested using judicial remedies. The Board of Directors shall convene the General Meeting in accordance with the general provisions or make use of the procedure in Article 135 of Law 4548/2018, as in force, unless the applicant shareholders have precluded such a possibility.

2. On a request from shareholders representing 1/20 of the paid-up share capital the Board of Directors shall be obliged to enter in the agenda of the General Meeting which has already been called additional items if that request arrives with the Board of Directors at least 15 days before the General Meeting. The additional items shall be published or notified by the Board of Directors in line with Article 122 of Law 4548/2018 at least 7 days before the General Meeting. The request to add items to the agenda must be accompanied by reasons or by a draft of the decision to be approved by the General Meeting and the revised agenda will be published in the same way as the previous agenda 13 days before the date of the General Meeting and at the same time will be made available to shareholders on the Company's website, along with the reasoning or draft decision submitted by the shareholders in accordance with the provisions of Article 123(4) of Law 4548/2018. If these items are not published the applicant shareholders shall be entitled to request postponement of the General Meeting in accordance with paragraph 5 and to publish them themselves in line with the provisions of the previous indent at the Company's expense.

3. Shareholders representing 1/20 of the paid-up share capital are entitled to submit draft decisions on items included in the original or any revised version of the agenda for the General Meeting. The request must arrive with the Board of Directors at least 7 days before the date of the General Meeting and the drafts of decisions must be made available to shareholders in accordance with the provisions of Article 123(3) of Law 4548/2018 at least 6 days before the date of the General Meeting.

4. The Board of Directors is not obliged to include items in the agenda or publish or disclose them along with the reasoning and drafts of decisions submitted to shareholders in accordance with

paragraphs 2 and 3 above if the content thereof is clearly in conflict with the law and morals. 5. On a request of one or more shareholder(s) representing 1/20 of the paid-up share capital, the Chairman of the General Meeting shall postpone, only once, the taking of decisions at the General Meeting, whether an ordinary or extraordinary meeting, on all matters or on specific matters, for a new General Meeting to be held on the date specified in the shareholders' request, but not later than 20 days after the date of said postponement. The General Meeting convening after the postponement is a continuation of the previous meeting and no repetition of the publication requirements for the invitation to shareholders is required. New shareholders may also participate in that meeting, where the participation formalities are complied with, and the provisions of Article 124(6) of Law 4548/2018 apply.

6. On a request from any shareholder submitted to the company at least 5 whole days before the General Meeting, the Board of Directors shall be obliged to provide the specific information requested to the General Meeting about company affairs to the extent that it is useful for a real assessment of the items on the agenda. The obligation to provide information does not exist when the information requested is already available on the Company's website, especially in the form of questions and answers. Moreover, on a request from shareholders representing 1/20 of the paid-up share capital, the Board of Directors shall be obliged to inform the Ordinary General Meeting only of the amounts paid over the last two years to each member of the Board of Directors or managers of the Company and all benefits given to those persons on any ground or under any contract between them and the Company. In all the above cases the Board of Directors is entitled to refuse to provide such information on a serious, substantive ground which is cited in the minutes. Such grounds may, under the circumstances, be representation of the applicant shareholders on the Board of Directors in accordance with Articles 79 or 80 of Law 4548/2018, as in force. In the cases this paragraph refers to, the Board of Directors may give the same reply to shareholder requests with the same content.

7. On a request from shareholders representing 1/10 of the paid-up capital submitted to the company within the deadline specified in paragraph 6, the Board of Directors shall be obliged to the provide the General Meeting with information about the progress of company affairs and its asset status. The Board of Directors may refuse to provide such information for a material cause cited in the minutes. Such ground may, under the circumstances, be representation of the applicant shareholders on the Board of Directors in line with Articles 79 or 80, where the relevant members of the Board of Directors have taken adequate cognisance of these matters.

8. In cases of paragraphs 6 and 7 hereof, any doubt regarding the soundness or otherwise of such justification for refusal to provide information shall be resolved by court judgment issued in injunctive relief proceedings. In the same judgment the court shall oblige the company to provide the information it refused to provide. That decision may not be contested using judicial remedies.

9. On a request from shareholders representing 1/20 of the paid-up share capital the voting on any item or items on the agenda may be done by a show of hands.

In all the above cases, the applicant shareholders shall prove that they are shareholders and, apart from the cases in the first subparagraph of paragraph 6, the number of shares they hold when exercising their right.

Proof of shareholder status is provided based on a notice the Company receives from the company with the corporate name Hellenic Central Securities Depository S.A., which manages the Dematerialised Securities System, which is the register of the central securities depository within the meaning of Article 40(5) of Law 4548/2018. That information about minority rights and how they can be exercised is available on the Company's website.

1.3.2.3 Available documents and information

The information required by Article 123(3), (4) and (5) of Law 4548/2018, including the invitation for the General Meeting, the forms to be used for exercising voting rights via a representative or proxy, the documents to be submitted to the General Meeting, the draft decisions on items on the agenda, and the information on exercising of minority rights under Article 141 of Law 4548/2018, are available in hard copy from the Company, from where shareholders can obtain copies free of charge. Moreover, all the above documents, information about the total number of current shareholders and voting rights are available in electronic format on the Company's website (www.intracom.com).

1.4 Internal audit and risk management system

1.4.1 Main features of the internal audit system

The Company's primary concern is to develop and constantly improve the internal audit system (IAS) both at individual and group level, which is a set of detailed, written auditing mechanisms and procedures which are applied by the Board, management and all company staff, continuously cover all activities and transactions, and contribute to ensuring the effectiveness and efficiency of company operations, the reliability of financial information and compliance with applicable laws and regulations.

The Company has put in place an effective internal audit system intended to safeguard its assets and to identify and manage major risks. The Board has overall responsibility for maintaining the System, ensuring its adequacy and effectiveness and monitoring and overseeing its effective implementation. In parallel, the Board's members evaluate the adequacy and effectiveness of the system on an annual basis.

The parties responsible for maintaining the internal audit system are the internal auditor, the Audit Committee and the Internal Audit Unit.

Internal Audit Service

The Internal Audit Unit is an independent, stand-alone unit within the Company which in organisational terms reports in writing directly to the Board of Directors and is specific cases (by informing the Board accordingly) acts on behalf of the Chairman, the CEO and the heads of other units.

The Internal Audit Unit is staffed by at least one internal auditor. The internal auditor is appointed by the Board, and cannot be a member of the Company's Board or management executive who has other duties apart from internal audits, or a relative of the above persons to the second degree by blood or marriage. He/she must be someone with adequate qualifications and experience and must work in a full-time exclusive capacity.

When performing his duties the internal auditor is entitled to take cognisance of any book, document, file, and have access to any unit in the company. To facilitate the internal auditor's work, members of the Board are obliged to collaborate and to provide all necessary information, and Company management is obliged to provide all means necessary to achieve that.

The Internal Audit Unit complies without fail with the applicable legislation and regulatory framework on the Athens Exchange and Hellenic Capital Market Commission in force in general.
The Internal Audit Unit seeks to provide the Board of Directors and General Meeting with reasonable assurances that:

- All resources to be used are acquired at fair value, in a transparent manner and are used effectively.
- All business risks, such as financial, administrative, compliance risk and operational risks are identified and suitably managed.
- The activities of employees comply with all applicable policies, rules, procedures, contracts and legislation and
- The main financial, administrative, legal and operational information is accurate, reliable and up-to-date.

Before carrying out the said audits, the Internal Auditor submits a schedule of audits to the Audit Committee showing the departments / units within the Company which will be audited. Such submission is necessary in order for the internal auditor to obtain suitable guidelines and be granted auditing powers.

Audits conducted by the Internal Audit Unit relating to the accounting system seek to confirm that:

- Company transactions are entered into in accordance with management's general or special powers of representation.
- All transactions are entered with the correct data in the appropriate accounts, in the year they relate to, to ensure that the financial statements are properly prepared in the context of recognised accounting methods ad to ensure the ability to account for the company's assets.
- Assets can only be managed with the authorisation of management or in accordance with authorisation given by it and
- The asset balances are compared at reasonable intervals with actual facts and if there are differences, that suitable measures are taken.

Among other things, the Internal Audit Unit carries out the following audits:

- An audit of compliance with the bylaws, the Company's Articles of Association and the legislation in general relevant to the Company and in particular the legislation on societes anonyme and the stock exchange, and in particular decision No. 5/204/2000 of the Board of Directors of the Hellenic Capital Market Commission, as amended and in force.
- An audit of compliance with commitments contained in prospectuses and the Company's investment plans, relating to the use of funds raised via the Stock Exchange or proper briefing of the supervisory authorities and investors about any changes to them.
- An audit of the legitimacy of remuneration and all manner of benefits to members of management in relation to decisions of the competent company bodies.
- An audit of company relations and dealings with related companies, and Company dealings with other companies in whose capital members of the Board have at least a 10% stake, or company shareholders have at least a 10% stake.
- An audit of stock exchange transactions involving Company shares entered into by members of the Board of Directors or persons with insider information.

The Internal Audit Unit reports to the Company's Board of Directors cases of conflicts of personal interests of Board members or Company executives with corporate interests which are identified while it is performing its duties.

After obtaining approval of the Board, the Internal Audit Unit provides any information requested in writing by the supervisory authorities, collaborates with them and facilitates the monitoring, control and supervisory work of those authorities in all possible ways.

The Internal Audit Unit submits regular briefings to the Board of Directors via the Audit Committee, at least once a quarter and attends the Company's General Meetings of Shareholders.

Audit Committee

Among other things, the Audit Committee's task includes constantly monitoring and assessing the adequacy and effectiveness of the Internal Audit System, at individual company and group level, based on relevant data and information from the Internal Audit Unit, the findings and observations of external auditors and the supervisory authorities.

1.4.2 Risk management by company and group in relation to preparation of financial statements (separate and consolidated)

The Audit Committee reviews financial information in relation to the financial statements and the financial data prepared by the Company at regular intervals. It re-examines the main estimates and judgements which could significantly affect financial results to ensure that the information in the financial statements is comprehensive, clear and adequate. Moreover, the audit carried out takes account of any issues which may arise from the statutory audit carried out by the certified public accountants.

1.5 Other Company management, supervisory bodies or committees

At present there are no other company management, supervisory bodies or committees.

1.6 Additional information required by Article 10(1)(c), (d), (f), (h) and (i) of Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids

The information required by Article 10(1)(c), (d), (f), (h) and (i) of Directive 2004/25/EC is contained in the Explanatory Report prepared pursuant to Article 4(7) and (8) of Law 3556/2007 which is a part of the Board of Directors' Annual report and is set out below.

EXPLANATORY REPORT

Article 4(7) & (8) of Law 3556/2007

This Board of Directors Explanatory Report contains the information specified by Article 4(7) of Law 3556/2007, and will be submitted to the Ordinary General Meeting of Company Shareholders in accordance with the provisions of Article 4(8) of Law 3556/2007. Where the provisions above refer to the provisions of Codified Law 2190/1920, which have been repealed by Article 189 of Law 4548/2018, such reference shall be construed as a reference to the corresponding provisions of Law 4548/2018 (Article 188 of Law 4548/2018).

Structure of the Company's share capital

The company's share capital amounts to € 76,000,000 divided into 76,000,000 shares with a nominal value of € 1.00 each.

The Company's shares are all registered shares and have been listed for trading on the Main Market of the Athens Stock Exchange. Company shares are ordinary registered shares incorporating voting rights.

Each share grants all the rights specified by law and the Company's Articles of Association and in particular:

- Right to dividends

The minimum dividend distributed necessarily each year by the Company is 35% of the net profits after deducting the withholding required to form the statutory reserve, as well as other credit amounts in the income statement which do not come from profits generated, and is distributed from the profits of each year to shareholders as an initial dividend, while the granting of an additional dividend is something decided on by the General Meeting.

The place and method of payment is announced in notices published in the press, the Daily Price Bulletin and both the for ATHEX and Company websites.

Dividends must be paid within 2 months from the date of the Ordinary General Meeting of Shareholders which approved the Company's annual financial statements.

Dividends unclaimed after a period of five years shall be barred in favour of the State.

- Right to the product of liquidation:

On completion of the liquidation, the liquidators return the contributions of the Shareholders in accordance with the Articles of Association and distribute to them the balance from the liquidation of the Company's assets in proportion to their share in the paid-up share capital of the Company.

- Pre-emptive rights

In every case of an increase in the share capital not done by a contribution in kind, a pre-emptive right shall be granted in respect of the entire new capital in favour of those persons who are shareholders at that time, pro rata with their holding in the share capital.

Pursuant to article 27 of Law 4548/2018 (Article 13(10 of the now repealed Codified Law 2190/1920) pre-emptive rights may be limited or abolished by decision of the General Meeting of Shareholders, taken by qualified quorum and majority.

- The right to obtain a copy of the financial statements and reports of certified public accountants and the Company's Board of Directors.
- The right to participate in the General Meeting and vote in person or via a proxy. Each share entitles its holder to one voting right.

- The General Meeting of the Company's shareholders retains all its rights during the period of liquidation.
- Shareholders are liable only up to the nominal value of their shares.

Limitation to the transfer of the Company's shares

Company shares may be transferred in the manner laid down by law and there are no restrictions on their transfer contained in the Articles of Association.

Major direct or indirect holdings for the purpose of Law 3556/2007 (Articles 9 to 11)

Company shareholders who directly or indirectly held more than 5% of the total number of its shares and the corresponding voting rights on 31.12.2018 are set out in the table below:

Name – Surname %

Sokratis P. Kokkalis, 23.88%

Konstantinos G. Dimitriadis, 8.70%

No other natural or legal person held any percentage of the total number of Company shares and corresponding voting rights over 5% on that date.

Shares providing special control rights

There are no shares in the Company granting their holders special rights of control.

Restrictions on voting rights

The Company's Articles of Association contain no restrictions on voting rights.

Agreements between the Company's shareholders

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

Rules on the appointment and replacement of Board members and amendments of the Articles of Association

The rules contained in the Company's Articles of Association on appointment and replacement of members of the Board of Directors and amendment of the provisions of the Articles of Association are not different from those contained in Law 4548/2018 which repealed Codified Law 2190/1920.

More specifically, under the provisions of the Articles of Association, between 3 and 11 members of the Board of Directors may be elected by the General Meeting by a decision specifying their number. The term in office of members of the Board of Directors is 5 years, which is automatically extended until the first Ordinary General Meeting after the end of their term in office, but that term may not exceed 6 years overall.

In the event of resignation, death or loss of membership of the Board by one or more members in any other way, the remaining members may, where there are at least 3, elect a replacement or replacements for the remainder of the term in office of the members who were replaced and specify the role of each member as an executive or non-executive member, or may continue to manage and represent the Company without replacing the missing members. That election must be announced by the Board of Directors at the next General Meeting which can replace the elected persons, even if no such item has been included in the agenda.

Powers of the Board of Directors to issue new shares or purchase own shares

a) Under the provisions of Article 113 of Law 4548/2018 (formerly Article 13(13) of the now repealed Codified Law 2190/1920) the Board of Directors may increase the Company's share capital by issuing new shares in the context of a stock option plan approved by the General Meeting, to allow company shares to be acquired by beneficiaries of the plan under the specific terms and conditions set out in those provisions.

   The Company has no stock option plans in effect.

b) Under the provisions of Article 49 of Law 4548/2018 (formerly Article 16 of Codified Law 2190/1920) the Company may acquire its own shares only if it obtains approval from the General Meeting, and only up to 1/10 to the paid-up share capital in accordance with the specific terms and the procedure set out in Article 49 of Law 4548/2018.

   Under the provisions of Article 16 of Codified Law 2190/1920 which were in force at the time the relevant decision was taken and implemented, the Ordinary General Meeting of Shareholders decided on 29.6.2018 to approve an own shares purchasing programme, for up to 10% of the paid-up share capital (including 243,000 own shares acquired in the context of the decision of the Ordinary General Meeting of 30.6.2016) for a period of 24 months commencing on 2.7.2018 and running of 1.7.2020. The minimum purchase price was set at € 0.30 and the max. at € 10.00 per share, and the purpose was in accordance with the applicable provisions of that Article which has now been repealed, as well as Regulation (EC) No 2273/2003 and Decision No. 1/503/2009 of the Board of Directors of the Hellenic Capital Market Commission. The previous programme, which was about to expire, was also cancelled.

   On 10.9.2018 the Company cancelled 25,996 own shares (of the total of 243,000 own shares acquired in the context of the Ordinary General Meeting of 30.6.2016) to reduce the share capital, following a decision of the 2nd repeat meeting on 23.7.2018 of the Ordinary General Meeting of Shareholders of 29.6.2018.

   In light of the above, on 31.12.2018 the Company held a total of 479,848 own shares (accounting for 0.63% of its own share capital).

Significant agreements that become effective are amended or terminate in case of change of control following a public offering

There are no such agreements.

Agreements with Board of Directors members or company staff

There are no agreements between the Company and members of the Board of Directors or staff which provide for the payment of remuneration specifically in the case of resignation or dismissal without a valid reason or termination of service or employment due to a takeover bid. The provisions formed by the Company to compensate staff leaving service stood at € 612 thous. on 31.12.2018.

Peania, 19 April 2019

The Board of Directors

C) Independent Auditor's Report

To the Shareholders of INTRACOM HOLDINGS S.A.

Report on the Audit of the Separate and Consolidated Financial Statements

Opinion

We have audited the accompanying separate and consolidated financial statements of INTRACOM HOLDINGS S.A. (the Company), which comprise the separate and consolidated balance sheet as at 31 December 2018, the separate and consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of INTRACOM HOLDINGS S.A. and its subsidiaries (the Group) as at 31 December 2018, their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Basis for Opinion

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

Key Audit Matters

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

Key audit matters

1. Acquisition by the Parent Company of subsidiaries from the subsidiary INTRAKAT	Addressing the audit matter
As pointed out in Note 10 to the financial statements, during the year the Parent Company, based on resolution of the Ordinary General Meeting held on 29.06.2018 acquired, from its subsidiary INTRAKAT S.A., all of its shares of certain holdings in subsidiaries with a specific activity, at a consideration price determined on the basis of their valuation carried out by an independent firm of Certified Auditors-Accountants. As referred to in Notes 13 & 15 to the financial statements, in the above-mentioned Meeting of Shareholders was resolved the transfer to its subsidiary, of property assets, at a consideration price determined on the basis of their valuation carried out by an independent firm of Certified Auditors-Accountants. Until 31.12.2018 the aforementioned transaction has not been completed. According to the Company's legal advisors, the transaction will be completed in 2019. Due to the nature of the transaction as a related party transaction and the significant amount of transferred assets, we consider the above transfer to be one of most significance matter for the period ended 31.12.2018.	Our audit approach included among other also the following procedures: With the involvement of our legal advisors, we examined the legal documents of the transfer, the authorization process and the legal form. With the involvement of our experts, we examined the valuation of the assets transferred from and to the Parent Company for the determination of the consideration price of the transaction. We ascertained the degree of completion of the transaction at the Balance Sheet date and the appropriateness of the disclosure in the separate financial statements. Also, we assessed the adequacy and appropriateness of the disclosures in notes 10, 13 & 15 to the financial statements.

2. Recognition of revenue from contracts with customers	Addressing the audit matter
The Group's turnover for the year ended 31.12.2018 amounted to approximately € 471 million (€ 397 million for the year ended 31.12.2017), and includes mainly revenue from the execution of construction contracts (2018 approximately € 211 million and	Our audit approach included among other also the following procedures: 1. We examined the procedures applied by the Group for the recognition of revenue from construction contracts and IT service contracts.

Key audit matters	
2017 approximately € 119 million) and revenue from the IT services sector (2018 approximately € 170 million and 2017 approximately € 145 million). As referred to in notes 2.27 and 42, in order to be recognised revenue from contracts with customers in accordance with IFRS 15, it is required to be followed by Management a special five-step process based significantly on accounting estimates. Possible future changes in accounting estimates may result to significant changes in recognized revenue and relevant profitability. In particular, revenue from construction contracts as well as revenue from IT service contracts is recognized over time and as performance obligations are satisfied and their recognition requires estimates and judgments in relation to the following: • the recognition of performance obligations and the point in time these are satisfied, • the allocation of the transaction price (contractual consideration) to performance obligations, • the determination of total costs from the date of the contract up to the date of its estimated completion, • any revisions to the estimated execution costs, • the possibility of customer acceptance of any claims for compensation. Relevant reference concerning the recognition of revenue from IT services and	2. By applying sample testing, we carried out on a number of contracts substantive procedures concerning the recognition of revenue from construction contracts and IT service contracts, examining qualitative and quantitative criteria, in order to evaluate important and complex areas in their performance and the ascertainment of correctness of the recognition of revenue related to them, in accordance with the accounting policies and methods applied by the Group's management and the requirements of IFRS 15. 3. We studied and understood the key terms of the contracts in order to confirm, per project, the performance obligations and the point in time they are satisfied, as well as the allocation method of the transaction price to individual performance obligations. 4. In addition, we compared the actual results per selected contract to the approved budgeted amounts and the historical data, in order to assess the degree of reliability of the management's judgments and estimates. 5. By applying sample testing, we examined the completeness and accuracy of the costs, and other costs incurred for the satisfaction of performance obligations and we correlated them with the relevant projects/contracts, taking into account the respective invoices, contracts and other documents. 6. We recalculated the percentage of satisfaction of performance obligations based on the actual costs incurred, as well as on the signed reports of the project managers. 7. We reviewed the supporting material (correspondence with customers, subsequent receipts) to assess the probability of collecting

Key audit matters	
construction contracts is made in the financial statements in Note 2.27 (Financial Reporting Framework), in Note 5 (Revenue by class of activities) and in Note 18 (Government Financial Assistance IFRIC 12) to the financial statements.	claims for compensation. Also, we assessed the adequacy and appropriateness of the disclosures in notes 2.27 (Revenue from contracts) and 42 (Adoption of new IFRSs) to the financial statements.

Other Information

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

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

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

Responsibilities of Management and Those Charged with Governance for the Separate and Consolidated Financial Statements

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

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

The Audit Committee (art. 44 L. 4449/2017) of the Company is responsible for overseeing the Company's and the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Separate and Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs, as incorporated into the Greek Legislation, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate and consolidated financial statements.

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

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

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

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

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

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

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

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

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

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

Report on other Legal and Regulatory Requirements

1. Board of Directors' Report

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

a) The Board of Directors' Report includes the Corporate Governance Statement that provides the data and information defined under article 43bb of cod. L. 2190/1920.

b) In our opinion the Board of Directors' Report has been prepared in accordance with the applicable legal requirements of the articles 43a and 107A and the paragraph 1 (cases c' and d') of the article 43bb of cod. L. 2190/1920 and its content corresponds with the accompanying financial statements for the year ended 31/12/2018.

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

2. Additional Report to the Audit Committee

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

3. Provision of Non-Audit Services

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

The permitted non-audit services that we have provided to the Company and its subsidiaries, during the year ended 31 December 2018 have been disclosed in the Note 28 of the accompanying separate and consolidated financial statements.

4. Auditor's Appointment

We have been appointed for the first time statutory auditors of the Company by the dated 27/6/2008 decision of the annual ordinary general meeting of shareholders. Since then, our appointment has been constantly renewed for a total period of 11 years based on the annual decisions of the Annual General Meetings of the Company Shareholders.

Athens, 22 April 2019

MARIA N. CHARITOU

Certified Public Accountant Auditor
Institute of CPA (SOEL) Reg. No. 15161

SOL S.A.
Member of Crowe Global
3, Fok. Negri Str., 112 57 Athens, Greece
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D) Annual Financial Statements

In accordance with International Financial Reporting Standards

as adopted by the European Union

Contents **Page**

Balance sheet		49
Statement of comprehensive income		50
Statement of changes in equity - Group		51
Statement of changes in equity - Company		52
Cash flow statement		53
1.	General information	54
2.	Summary of significant accounting policies	54
3.	Financial risk management	73
4.	Critical accounting estimates and judgments	79
5.	Segment information	79
6.	Property, plant and equipment	83
7.	Goodwill	84
8.	Intangible assets	88
9.	Investment property	90
10.	Investments in subsidiaries	91
11.	Investments in companies which are consolidated using the equity method	95
12.	Joint operations	97
13.	Financial assets at fair value through other comprehensive income	97
14.	Deferred income tax	99
15.	Long-term borrowings	101
16.	Trade and other receivables	102
17.	Inventories	104
18.	State financial contribution	105
19.	Financial assets at fair value through profit or loss	105
20.	Cash and cash equivalents	106
21.	Share capital	107
22.	Reserves	108
23.	Borrowings	110
24.	Retirement benefit obligations	112
25.	Grants	113
26.	Provisions	113
27.	Trade and other payables	115
28.	Expenses by nature	117
29.	Employee benefits	117
30.	Net gains/(losses) on impairment of financial assets	118
31.	Other operating income	118
32.	Other gains/(losses) - net	119
33.	Finance expenses/(income) - net	119
34.	Income tax	120

35.	Earnings/(losses) per share	121
36.	Cash generated from operations	122
37.	Commitments	122
38.	Contingencies/Outstanding legal cases	123
39.	Related party transactions	125
40.	Post balance sheet events	126
41.	Group structure	127
42.	Adoption of new IFRS	131

(All amounts in €'000)

Balance sheet

		Group		Company	
ASSETS	**Note**	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**
Non-current assets					
Property, plant and equipment	6	117.994	122.586	8.429	8.384
Goodwill	7	37.449	37.565	-	-
Intangible assets	8	13.185	10.336	19	31
Investment property	9	58.912	62.513	50.525	51.994
Investments in subsidiaries	10	-	-	191.189	154.158
Investments in companies which are consolidated using the equity method	11	9.928	10.221	-	-
Available-for-sale financial assets	42	-	42.714	-	11.969
Financial assets at fair value through other comprehensive income	13	40.288	-	1.099	-
Deferred income tax assets	14	6.576	8.109	-	-
Non-current borrowings	15	12.666	13.024	68	13.024
Trade and other receivables	16	20.129	20.606	39	39
		317.127	**327.674**	**251.367**	**239.599**
Current assets					
Inventories	17	41.943	38.952	-	-
Trade and other receivables	16	306.521	250.394	23.429	34.968
State financial contribution	18	27.472	18.745	-	-
Financial assets at fair value through profit or loss	19	865	264	-	-
Current income tax assets		9.510	5.298	-	-
Cash and cash equivalents	20	75.881	148.226	26.425	61.130
		462.192	**461.879**	**49.854**	**96.098**
Assets classified as held for sale	13, 15	-	-	20.823	-
		462.192	**461.879**	**70.677**	**96.098**
Total assets		**779.318**	**789.552**	**322.044**	**335.697**
EQUITY					
Capital and reserves attributable to the Company's equity holders					
Share capital	21	76.000	187.567	76.000	187.567
Share premium	21	194.204	194.204	194.204	194.204
Treasury shares	21	(485)	-	(485)	-
Reserves	22	145.781	166.553	128.601	139.033
Retained earnings		(165.765)	(291.100)	(133.696)	(252.181)
		249.734	257.224	264.624	268.623
Non-controlling interests		13.376	13.071	-	-
Total equity		**263.110**	**270.295**	**264.624**	**268.623**
LIABILITIES					
Non-current liabilities					
Borrowings	23	100.031	106.764	9.965	7.112
Deferred income tax liabilities	14	3.011	2.328	782	1.022
Retirement benefit obligations	24	8.442	7.691	612	379
Grants	25	38	44	-	-
Provisions	26	2.676	1.076	-	-
Trade and other payables	27	5.476	28.299	-	-
		119.674	**146.202**	**11.358**	**8.511**
Current liabilities					
Trade and other payables	27	278.731	225.155	31.915	10.963
Current income tax liabilities		1.754	2.266	-	-
Borrowings	23	109.063	136.724	12.647	44.282
Provisions	26	6.986	8.911	1.500	3.316
		396.534	**373.056**	**46.061**	**58.561**
Total liabilities		**516.208**	**519.258**	**57.419**	**67.073**
Total equity and liabilities		**779.318**	**789.552**	**322.044**	**335.697**

The notes on pages 54 to 137 are an integral part of these financial statements.

(All amounts in €'000)

Statement of comprehensive income

		Group		Company	
	Note	1/1 - 31/12/2018	1/1 - 31/12/2017	1/1 - 31/12/2018	1/1 - 31/12/2017
Revenue from contracts with customers	5	470.697	397.129	2.519	2.554
Cost of goods sold	28	(400.621)	(324.019)	(2.136)	(2.189)
Gross profit		**70.077**	**73.110**	**384**	**365**
Selling and research costs	28	(17.194)	(20.027)	-	-
Administrative expenses	28	(38.414)	(35.753)	(4.860)	(3.619)
Net gains/(losses) on impairment of financial assets	30	(2.706)	(2.052)	-	-
Other operating income	31	3.608	4.382	2.246	2.197
Other gains/(losses) - net	32	7.604	1.557	528	965
Losses from investment property impairment	9	(35)	-	(35)	-
Operating profit/(loss)		**22.940**	**21.217**	**(1.737)**	**(91)**
Finance expenses	33	(17.814)	(21.003)	(1.218)	(1.457)
Finance income	33	2.072	4.473	1.086	1.539
Finance income/(expenses) - net		**(15.742)**	**(16.531)**	**(131)**	**82**
Share of loss of associates	11	(355)	(521)	-	-
Profit/(loss) before tax		**6.842**	**4.166**	**(1.868)**	**(9)**
Income tax	34	(9.155)	(5.273)	242	37
Net profit/(loss) for the year		**(2.312)**	**(1.107)**	**(1.626)**	**28**
Other comprehensive income:					
Items that will be reclassified to profit or loss					
Fair value gains/(losses) on available-for-sale financial assets, net of tax		-	276	-	264
Transfer of available for sale reserve to profit or loss due to impairment/disposal		-	44	-	-
Currency translation differences, net of tax		289	(1.065)	-	-
		289	(745)	-	264
Items that will not be reclassified to profit or loss					
Actuarial gains/(losses), net of tax		(216)	(134)	4	(5)
Changes in fair value of investments at FVOCI	13, 22	(3.599)	-	(1.875)	-
		(3.815)	(134)	(1.871)	(5)
Other comprehensive income for the year, net of tax		**(3.526)**	**(879)**	**(1.871)**	**259**
Total comprehensive income for the year		**(5.838)**	**(1.986)**	**(3.497)**	**287**
Profit/(loss) attributable to:					
Equity holders of the Company		(694)	925	(1.626)	28
Non-controlling interests		(1.618)	(2.033)	-	-
		(2.312)	**(1.107)**	**(1.626)**	**28**
Total comprehensive income attributable to:					
Equity holders of the Company		(4.111)	99	(3.497)	287
Non-controlling interests		(1.727)	(2.085)	-	-
		(5.838)	**(1.986)**	**(3.497)**	**287**

The notes on pages 54 to 137 are an integral part of these financial statements.

(All amounts in €'000)

Statement of changes in equity – Group

		Attributable to equity holders of the Company					
	Note	Share capital	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2017		381.771	167.237	(297.740)	251.269	20.927	272.196
Loss for the year		-	-	925	925	(2.033)	(1.107)
Fair value gains/(losses) on available-for-sale financial assets		-	294	-	294	(18)	276
Transfer of available-for-sale reserve to profit or loss due to impairment/disposal	22	-	26	-	26	18	44
Currency translation differences		-	(1.006)	-	(1.006)	(59)	(1.064)
Actuarial gains/(losses) net of tax		-	(140)	-	(140)	6	(134)
Total comprehensive income for the year		**-**	**(826)**	**925**	**99**	**(2.085)**	**(1.986)**
Expenses for share capital increase of subsidiaries		-	-	(178)	(178)	(116)	(294)
Formation of subsidiary		-	-	-	-	41	41
Change in interest held in subsidiaries	10	-	515	5.524	6.039	(5.734)	306
Disposal of subsidiaries	10	-	(23)	(12)	(35)	67	32
Transfer	22	-	(350)	381	30	(30)	-
		-	142	5.714	5.856	(5.772)	85
Balance at 31 December 2017		**381.771**	**166.553**	**(291.100)**	**257.224**	**13.071**	**270.295**
Balance at 1 January 2018		381.771	166.553	(291.100)	257.224	13.071	270.295
Change of accounting policies due to adoption of new IFRS 9 and IFRS 15		-	(8.109)	6.410	(1.700)	(326)	(2.025)
Balance at 1 January 2018 restated		**381.771**	**158.444**	**(284.690)**	**255.525**	**12.745**	**268.270**
Net profit/(loss) for the year		-	-	(694)	(694)	(1.618)	(2.312)
Changes in fair value of investments at FVOCI	13, 22	-	(3.491)	-	(3.491)	(108)	(3.599)
Currency translation differences		-	304	-	304	(15)	289
Actuarial gains/(losses) net of tax			(230)	-	(230)	14	(216)
Total comprehensive income for the year		**-**	**(3.417)**	**(694)**	**(4.111)**	**(1.727)**	**(5.838)**
Share capital increase by capitalisation of reserves	21	9.500	(9.003)	(497)	-	-	-
Share capital decrease by offsetting losses	21	(121.030)	-	121.030	-	-	-
Acquisition of treasury shares	21	(485)	-	-	(485)	-	(485)
Cancellation of treasury shares	21	(37)	-	20	(17)	-	(17)
Change in interest held in subsidiaries	10	-	(30)	(1.189)	(1.219)	1.369	149
Disposal of subsidiaries		-	-	(1)	(1)	1.033	1.032
Transfer	22	-	(213)	256	44	(44)	-
		(112.052)	(9.246)	119.619	(1.679)	2.358	679
Balance at 31 December 2018		**269.719**	**145.781**	**(165.765)**	**249.734**	**13.376**	**263.110**

Analysis of other reserves is presented in note 22.

The notes on pages 54 to 137 are an integral part of these financial statements.

(All amounts in €'000)

Statement of changes in equity – Company

	Note	Share capital	Other reserves	Retained earnings	Total equity
Balance at 1 January 2017		381.771	138.774	(252.209)	268.336
Net profit for the year		-	-	28	28
Fair value gains/(losses) on available-for-sale financial assets		-	264	-	264
Remeasurements of retirement benefit obligations, net of tax		-	(5)	-	(5)
Total comprehensive income for the year		**-**	**259**	**28**	**287**
Balance at 31 December 2017		**381.771**	**139.033**	**(252.181)**	**268.623**
Balance at 1 January 2018		381.771	139.033	(252.181)	268.623
Change of accounting policies due to adoption of new IFRS 9 and IFRS 15		-	(1.216)	1.216	-
Balance at 1 January 2018 restated		**381.771**	**137.817**	**(250.965)**	**268.623**
Loss for the year		-	-	(1.626)	(1.626)
Changes in fair value of investments at FVOCI	13	-	(1.875)	-	(1.875)
Remeasurements of retirement benefit obligations, net of tax		-	4	-	4
Total comprehensive income for the year		**-**	**(1.871)**	**(1.626)**	**(3.497)**
Share capital increase by capitalisation of reserves	21	9.500	(9.003)	(497)	-
Share capital decrease by offsetting losses	21	(121.030)	-	121.030	-
Acquisition of treasury shares	21	(485)	-	-	(485)
Cancellation of treasury shares	21	(37)	-	20	(17)
Transfer	22	-	1.658	(1.658)	-
		(112.052)	(7.345)	118.895	(502)
Balance at 31 December 2018		**269.719**	**128.601**	**(133.696)**	**264.624**

Analysis of other reserves is presented in note 22.

The notes on pages 54 to 137 are an integral part of these financial statements.

(All amounts in €'000)

Cash flow statement

	Note	Group		Company	
		1/1 - 31/12/2018	1/1 - 31/12/2017	1/1 - 31/12/2018	1/1 - 31/12/2017
Cash flows from operating activities					
Cash generated from/(used in) operations	36	(1.705)	59.237	17.437	(409)
Interest paid		(19.332)	(19.908)	(1.232)	(1.352)
Income tax paid		(8.503)	(2.702)	(72)	(71)
Net cash generated from/(used in) operating activities		**(29.541)**	**36.627**	**16.133**	**(1.832)**
Cash flows from investing activities					
Purchase of property, plant and equipment (PPE)		(4.058)	(10.089)	(55)	(8)
Purchase of investment property		(2.865)	(776)	(20)	(10)
Purchase of intangible assets		(4.233)	(4.700)	-	(39)
Proceeds from sale of PPE		391	663	1	(0)
Proceeds from sale of investment property		135	966	-	-
Proceeds from sale of intangible assets		2	1	-	-
Acquisition of financial assets at fair value through profit or loss	19	(9)	-	-	-
Acquisition of available-for-sale financial assets	13	-	(27.070)	-	(68)
Acquisition of financial assets at fair value through other comprehensive income	13	(1.290)	-	(267)	-
Disposals of financial assets at fair value through other comprehensive income	13	269	-	269	-
Acquisition of subsidiaries (less subsidiaries' cash) / capital increase	10	-	(9.000)	(13.521)	(17.375)
Disposal of subsidiaries	10	2.696	(40)	-	-
Disposal of associates		-	1	-	-
Formation of subsidiary		-	(25)	-	-
Formation/acquisition of associates	11	(589)	(2.106)	-	-
Dividends received		15	-	-	-
Proceeds from loans granted		-	-	-	300
Loans granted	15, 16	-	-	(7.960)	-
Interest received		861	2.730	1	14
Net cash generated from/(used in) investing activities		**(8.676)**	**(49.446)**	**(21.553)**	**(17.186)**
Cash flows from financing activities					
Acquisition of treasury shares	21	(502)	-	(502)	-
Expenses on issue of subsidiary's share capital		-	(331)	-	-
Transactions with non-controlling interests in subsidiaries	10	-	(993)	-	-
Contribution of non-controlling interests to subsidiary's share capital	10	-	1.979	-	-
Proceeds from borrowings		120.921	133.056	-	28.454
Repayment of borrowings		(153.880)	(79.142)	(28.454)	-
Repayments of finance leases		(1.034)	(715)	(328)	(311)
Net cash generated from/(used in) financing activities		**(34.494)**	**53.853**	**(29.284)**	**28.143**
Net increase/(decrease) in cash and cash equivalents		**(72.711)**	**41.034**	**(34.705)**	**9.125**
Cash and cash equivalents at beginning of year		148.226	107.971	61.130	52.005
Foreign exchange gains/(losses) on cash and cash equivalents		366	(779)	-	-
Cash and cash equivalents at end of year	20	**75.881**	**148.226**	**26.425**	**61.130**

The notes on pages 54 to 137 are an integral part of these financial statements.

Notes to the financial statements in accordance with International Financial Reporting Standards

1. General information

INTRACOM Holdings SA, with the distinctive title "INTRACOM HOLDINGS", was incorporated in Greece and its shares are traded in the Athens Stock Exchange.

Intracom Group operates, through its subsidiaries and associates, in the design, development, production, certification, installation and support of advanced technology projects and electronic systems in telecommunications and information technology, defence, constructions, renewable energy sources and real estate development and operation. The parent company operates as a holding company.

The Group operates in Greece, Luxembourg, USA, Bulgaria, Romania as well as in other foreign countries.

The Company's registered office is at 19 km Markopoulou Ave., Peania, Attiki, Greece. The Company's website address is www.intracom.com.

These financial statements were approved for issue by the Board of Directors on 19 April 2019 and are subject to approval by the Annual General Meeting of Shareholders.

The annual financial statements, the independent auditor's reports and the Board of Directors' reports of the companies that are incorporated in the consolidated financial statements of the Group are posted in the Company's website www.intracom.com.

2. Summary of significant accounting policies

2.1 Basis of preparation

These financial statements consist of the standalone financial statements of Intracom Holdings SA (the "Company") and the consolidated financial statements of the Company and its subsidiaries (together "INTRACOM" or the "Group") for the year ended 31 December 2018, in accordance with International Financial Reporting Standards ("IFRS"), as adopted by the European Union (EU).

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss, which are carried at fair value.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Company's accounting policies. Moreover, the use of estimates and assumptions is required that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of preparation of financial statements and the reported income and expense amounts during the reporting period. Although these estimates are based on the best possible knowledge of Management with respect to the current conditions and activities, the actual results can eventually differ from these estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

Risk arising from the macroeconomic and business environment in Greece

In 2018 the growth momentum of the Greek economy continued after the recovery of 2017. Growth stood at 1,9% and is expected to remain at this level in 2019. In the domestic economy, the key points are the strengthening of banks' liquidity, which almost eliminated the dependence of banks on ELA, leading to the lifting of most restrictions on capital movements, as well as the return to international financial markets in 2019, which is a sign of improvement of the creditworthiness of the Greek State and a decisive step in the effort to regain the trust of international markets. Exports and private consumption remain the main growth drivers of the economy.

Management assesses that the Group's international business activity and export-oriented model as well as organic growth and improvement of profitability are the main components that will help the Group and the Company to address macroeconomic risks, as successfully as they responded to the difficulties of the past years. In any case, the Group monitors on an ongoing basis the economic environment and adjusts its strategic actions to address risks on time.

As regards liquidity, the Group maintains cash and cash equivalents amounting to €34,6 million in deposits held with international credit institutions with credit rating above A2 according to Moody's.

Accounting policies used in the preparation of the financial statements of subsidiaries, associates and joint ventures are consistent with those applied by the parent company.

New standards, amendments to standards and interpretations: Certain new standards, amendments to standards and interpretations have been issued that are mandatory for the current financial year. The Group's evaluation of the effect of these new standards, amendments to standards and interpretations is as follows:

Standards and Interpretations effective for the current financial year

IFRS 9 "Financial Instruments" and subsequent amendments to IFRS 9 and IFRS 7

IFRS 9 replaces the guidance in IAS 39 which deals with the classification and measurement of financial assets and financial liabilities and it also includes an expected credit losses model that replaces the incurred loss impairment model that was applied under IAS 39. IFRS 9 establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the previous model in IAS 39. The effect from applying the standard to the Group is described in note 42.

IFRS 15 "Revenue from Contracts with Customers"

IFRS 15 was issued in May 2014. The objective of the standard is to provide a single, comprehensive revenue recognition model for all contracts with customers to improve comparability within industries, across industries, and across capital markets. It contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognised. The underlying principle is that an entity recognises revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. The effect from applying the standard to the Group is described in note 42.

IAS 40 (Amendments) "Transfers of Investment Property"

The amendments clarified that to transfer to, or from, investment properties there must be a change in use. To conclude if a property has changed use there should be an assessment of whether the property meets the definition and the change must be supported by evidence. The amendment had no impact on the Group.

IFRIC 22 "Foreign currency transactions and advance consideration"

The Interpretation provides guidance on how to determine the date of the transaction when applying the standard to foreign currency transactions, IAS 21. The Interpretation applies where an entity either pays or receives consideration in advance for foreign currency-denominated contracts. The amendment did not have significant impact on the Group.

Standards and interpretations effective for subsequent periods

New standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning after 1 January 2019 and have not been applied in the preparation of these consolidated financial statements. None of the above is expected to have a significant impact on the consolidated financial statements except for the following:

IFRS 16 "Leases" (effective for annual periods beginning on or after 1 January 2019)

IFRS 16 was issued in January 2016 and supersedes IAS 17. The objective of the standard is to ensure the lessees and lessors provide relevant information in a manner that faithfully represents those transactions. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The Group's leases at 31 December 2018 relate to leases of property, vehicles, machinery and other equipment and the related commitments for future lease payments amount to €21.716. The Group will apply the new standard using the simplified approach and therefore at 1 January 2019 will recognise:

(a) a lease liability by discounting only future lease payments that are outstanding until the end of the lease term; and

(b) an equal right to use assets

Comparative data for the previous year will not be restated.

The requirements of the standard will not apply to leases the underlying asset of which is of low value. As a result, the Group will continue to recognise lease payments for these leases using the straight-line method in the statement of comprehensive income. The standard will not apply to the leases of intangible assets.

Based on the above, the Group and the Company are in the process of evaluating lease agreements and assessing the impact of the initial application of IFRS 16 at 1 January 2019 as well as on the income statement for the year 2019.

The final impact of the application of IFRS 16 will be determined in the preparation of the Group and Company financial statements for the year 2019 and will depend on the final evaluation of the lease agreements and the final determination of the assumptions to be used by the Group at 1 January 2019 (discount rate, exercise of any renewal rights and termination of lease agreements).

In summary, based on management's current estimation, the effect from the adoption of IFRS 16 is expected to be as follows:

In the Group's balance sheet, an increase in assets is expected ranging between €14,5 million to €21,5 million due to the recognition of a right to use, with a corresponding increase in the lease liabilities, without any impact on equity. The effect on the Company is not expected to be significant.

In the Group's income statement for 2019, depreciation is expected to record an increase ranging between €1,4 million and €2,2 million and finance expenses are expected to increase between €0,5 million and €0,7 million. The decrease in rental expenses is expected to lead to an improvement of EBITDA that is estimated to range between €3,2 million and €4,8.

The estimated effect relates exclusively to existing contracts as of 1 January 2019.

IFRIC 23 "Uncertainty over income tax treatments" (effective for annual periods beginning on or after 1 January 2019)

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

There are no other standards or interpretations not yet effective that are expected to have a significant impact on the financial statements of the Group.

2.2 Consolidation

(a) Business combinations and subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

Investments in subsidiaries are accounted for at cost less impairment in the Company's standalone financial statements. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated, unless the transaction provides evidence of an impairment of the assets transferred. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

Transactions and non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Disposal of subsidiary

When the group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(b) Joint arrangements

The Group applies IFRS 11 to all joint arrangements. Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint operations. According to this method the Group's share in the receivables, liabilities, income and expenses of the joint operation are combined with the Group's similar items, line by line, in its financial statements.

The Group recognises the portion of gains or losses on the sale of assets by the Group to the joint operations that is attributable to the other investors of the joint operation. The Group does not recognise its share of profits or losses from the joint operation that result from the purchase of assets by the Group from the joint operation until it resells the assets to an independent party. Loss occurring from such a transaction is recognised directly if the loss indicates a reduction in the net realisable value of current assets or impairment.

Accounting policies of joint operations have been changed where necessary to ensure consistency with the policies adopted by the Group.

(c) Associates

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

Under this method the Group's share of the post-acquisition profits or losses of associates is recognised in the income statement and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are eliminated, unless the transaction provides evidence of an impairment of the assets transferred. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless the Group has incurred obligations or made payments on behalf of the associates.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

On the loss of significant influence, the group shall measure at fair value any investment the group retains in the former associate. The difference between the fair value of any retained investment, the consideration received from the disposal of the interest held in the associate and the carrying amount of the investment in the associate is recognised in profit or loss at the date when significant influence is lost. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

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

2.3 Segment information

The segments are determined on the basis of internal information reviewed by the management of the Group and are reported in the financial statements based on this internal component classification.

2.4 Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss.

(c) Group companies

The results and financial position of all Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(1) Assets and liabilities for each balance sheet date are translated at the closing rate at the date of the balance sheet;

(2) Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

(3) All resulting exchange differences are recognised through other comprehensive income.

Exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to other comprehensive income. When a foreign operation is sold, such exchange differences are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

2.5 Investment property

Investment property, principally comprising land and buildings, is held by the Group for long-term rental yields and not for own use. Investment property is measured at cost less depreciation. When the carrying amounts of investment property exceed their recoverable amounts, the difference (impairment) is charged directly to profit or loss.

The Company classifies all land and buildings rented to subsidiaries as investment property in its standalone financial statements.

The land classified as investment property is not depreciated. Depreciation on buildings is calculated using the straight-line method to allocate the cost of each asset to its residual value over its estimated useful life, which is 33-34 years.

2.6 Property, plant and equipment

All property, plant and equipment ("PPE") is shown at cost less subsequent depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Land is not depreciated. Depreciation on PPE is calculated using the straight-line method to allocate the cost of each asset to its residual value over its estimated useful life. The expected useful life of property, plant and equipment is as follows:

- Buildings	33-34	years
- Machinery	10	years
- Motor vehicles	5-7	years
- Other equipment	5-10	years

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

When the carrying amount of the asset is higher than its recoverable amount, the resulting difference (impairment loss) is recognised immediately as an expense in profit or loss.

In case of disposal or retirement of an asset, the cost and accumulated depreciation are written off if no further economic benefits are expected from the asset and the difference between the sale proceeds and the carrying amount is recognised as profit or loss in the income statement in the period in which they arise.

Borrowing costs directly attributable to the construction of qualifying assets are added to the cost of those assets until the assets are substantially ready for their intended use or sale. All other finance costs are recognised in the income statement in the period in which they arise.

2.7 Leases

(a) Finance leases

Leases of property, plant and equipment whereby the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property, plant and equipment and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment leased under a finance lease are depreciated over the shorter of the lease term and their useful life.

(b) Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

2.8 Goodwill

Goodwill is not amortised but is tested for impairment annually and whenever there is an indication that the goodwill may be impaired. Goodwill acquired on a business combination is allocated to the cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the combination. Impairment is determined by assessing the recoverable amount of the cash-generating units, which are related to goodwill.

If the carrying amount of the cash-generating unit, including goodwill that has been allocated, exceeds the recoverable amount of the unit, impairment is recognised. Impairment loss is recognised in profit or loss and cannot be reversed.

Gains and losses on the disposal of a cash-generating unit to which goodwill has been allocated include the carrying amount of goodwill relating to the part sold. The amount of goodwill attributable to the part sold is determined by the relative values of the part sold and the part of the cash-generating unit retained.

Goodwill on business combinations has been allocated and is monitored by the Group on the basis of the cash-generating units which have been identified according to the provisions of IAS 36 "Impairment of Assets".

2.9 Intangible assets

The caption 'intangible assets' includes:

a) Computer software: Purchased computer software is stated at historical cost less subsequent amortisation. Amortisation is calculated using the straight-line method over the useful economic lives, not exceeding a period of 3-8 years. Costs associated with developing or maintaining computer software programs are recognised as an expense as incurred. Costs that are directly associated with identifiable and unique software products controlled by the Group (internally generated software), are recognised as part of intangible assets. Direct costs include materials, staff costs of the software development team and an appropriate portion of relevant overheads. Internally-generated software is amortised using the straight-line method over its useful life, not exceeding a period of 5-10 years.

b) Customer relationships: they relate to amounts recognised on the acquisition of the subsidiary company Intrasoft International Scandinavia (ex IT Services Denmark AS) and they are amortised over a period of 10 years.

c) Concession rights: Concession rights are stated at historical cost less subsequent amortisation. Amortisation is calculated using the straight-line method over the term of the Concession Agreement (note 2.26).

2.10 Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested for impairment annually and whenever events indicate that the carrying amount may not be recoverable. Assets that are subject to amortisation are reviewed for impairment at each balance sheet date and are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised, as expense immediately, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Fair value less costs to sell is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date, less the costs of disposal. Value in use is the present value of the future cash flows expected to be derived from an asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

2.11 Financial assets

(i) Classification

From 1 January 2018, the Group classifies its financial assets in the following measurement categories:

• Financial assets at fair value (either through OCI, or through profit or loss)

• Financial assets at amortised cost

The classification depends on the Group's business model for managing the Group's financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income.

For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies investments in debt investments when and only when its business model for managing those assets changes.

(ii) Initial recognition / derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Subsequent measurement

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

a) Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition of an asset is recognised directly in profit or loss, together with any foreign exchange gains/losses. Impairment losses are presented in the separate line item "Net gains/(losses) on impairment of financial assets" in the income statement.

b) Fair value through other comprehensive income: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in "Other gains/losses)". Interest income from these financial assets is included in finance income using the effective interest rate method. Impairment losses are presented in the separate line item "Net gains/(losses) on impairment of financial assets" in the income statement.

c) Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. Gain or loss is recognised in profit or loss in "Other gains/losses)" in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of accumulated fair value gains and losses to profit or loss following the derecognition of the investment, but they are transferred directly to "Retained earnings" under Equity. Dividends from such investments continue to be recognised in "Other income" when the Group's right to receive payments is established.

Changes in the fair value of equity instruments at FVPL are recognised in "Other gains/(losses)" in the statement of profit or loss in the period in which they arise.

(iv) Impairment

From 1 January 2018, the Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9. Based on this approach, the Group recognises the credit losses that are expected throughout the lifetime of trade receivables (expected lifetime losses).

The Group has applied IFRS 9 retrospectively, but has elected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the Group's previous accounting policy.

The impact of applying the new accounting policy on 1 January 2018 and a brief description of the accounting policies that were applied until 31 December 2017 are presented in note 42.

2.12 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.13 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average cost method. The cost of finished and semi-finished goods, by-products and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses and in case of work-in-progress estimated costs to completion.

Provisions for slow-moving or obsolete inventories are formed when necessary.

2.14 Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. See note 2.11 for a description of the Group's impairment policies.

2.15 Factoring

Trade and other receivables are reduced by the amounts collected in advance under factoring agreements without recourse.

2.16 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.17 Non-current assets held for sale and discontinued operations

The Group classifies a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use.

The basic criteria to classify a non-current asset (or disposal group) as held for sale are that it must be available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets and its sale must be highly probable.

For the sale to be highly probable:

- the appropriate level of management must be committed to a plan to sell the asset (or disposal group)
- an active programme to locate a buyer and complete the plan must have been initiated
- the asset (or disposal group) must be actively marketed for sale at a price that is reasonable in relation to its current fair value
- the sale should be expected to be completed within one year from the date of classification
- the actions required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Immediately prior to initial classification of a non-current asset (or disposal group) as held for sale, the asset (or the assets and liabilities included in the disposal group) will be measured in accordance with the applicable IFRSs.

Non-current assets (or disposal groups) that are classified as assets held for sale are stated at the lower of carrying amount and fair value less costs to sell and any possible resulting impairment losses are recognised in profit or loss. Any subsequent increase in fair value will be recognised in profit or loss, but not in excess of the cumulative impairment loss which was previously recognised.

While a non-current asset (or non-current assets that are included in a disposal group) is classified as held for sale, it should not be depreciated or amortised.

2.18 Share capital

Share capital consists of the ordinary shares of the Company. Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown after the reduction of the relative income tax in reduction to the product of issue. Incremental costs directly attributable to the issue of new shares for the acquisition of other entities are shown in reduction to the product of issue.

Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the Company's equity holders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

2.19 Borrowings

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

2.20 Borrowing costs

Borrowing costs directly attributable to the construction of qualifying assets are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.21 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current income tax is computed based on the separate financial statements of each of the entities included in the consolidated financial statements, in accordance with the tax rules in force in Greece and other tax jurisdictions in which foreign subsidiaries operate. Current income tax expense consists of income taxes for the current year based on each entity's profits as adjusted in its tax returns and additional income taxes to cover potential tax assessments which are likely to occur from tax audits by the tax authorities, using the enacted tax rates.

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

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

Deferred income tax liabilities are provided on taxable temporary differences arising on investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries and associates only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

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

2.22 Trade payables

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

2.23 Employee benefits

(a) Pension obligations

The Group contributes to both defined benefit and defined contribution plans.

The liability in respect of defined benefit pension or retirement plans is the present value of the defined benefit obligation at the balance sheet date. Independent actuaries using the projected unit credit method calculate the defined benefit obligation annually.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The interest cost is calculated by applying the discount rate to the balance of the defined benefit obligation. This cost is included in employee benefit expense in the statement of comprehensive income.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise and they are included in other reserves in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(b) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits.

The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer.

Benefits falling due more than 12 months after balance sheet date are discounted to present value.

(c) Share-based plans

The fair value of the employee services received in exchange for the grant of the share options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted. At each balance sheet date, the entity revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in profit or loss, and a corresponding adjustment to equity over the remaining vesting period. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised. The Group does not have any share-based plans on the parent Company's shares.

2.24 Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs they are intended to compensate. Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities and are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

2.25 Provisions

Provisions are recognised when:

- There is 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

- The amount can be reliably estimated.

(a) Warranties

The Group recognises a provision that represents the present value of the estimated liability for the repair or replacement of guaranteed products or concerning the delivery of projects/rendering of services at the balance sheet date. This provision is calculated on the basis of historical facts over repairs and replacements.

(b) Compensated absences

The claims over compensated absences are recognised as incurred. The Group recognises the expected cost of short-term employee benefits in the form of compensated absences based on their unused entitlement at the balance sheet date.

(c) Loss-making contracts

The Group recognises a provision with an immediate charge to profit or loss for loss-making construction contracts or long-term service contracts when the expected revenues are lower than the unavoidable expenses which are estimated to arise in order to meet contract commitments.

2.26 Concession arrangements

For public-to-private service concession arrangements, the Group applies IFRIC 12 if the following conditions are met:

a) the grantor controls or regulates what services the operator must provide with the infrastructure, to whom they must provide them, and at what price; and

b) the grantor controls —through ownership, beneficial entitlement or otherwise— any significant residual interest in the infrastructure at the end of the term of the arrangement.

According to IFRIC 12, such infrastructure is not recognised by the operator as asset under property, plant and equipment, but as right to receive payments under financial assets according to the financial asset model and/or as Concession right under intangible assets according to the intangible asset model, depending on the contractually agreed terms.

State financial contribution and Concession right (Mixed Model)

If, according to the concession contract, the operator is paid for the construction services partly by a financial asset and partly by an intangible asset, the Group accounts separately for each component of the consideration, according to the above (State financial contribution and Concession right).

The Group recognises and accounts for the revenue from construction or upgrade services as well as operation services according to IFRS 15 (note 2.27(c)).

2.27 Revenue from contracts with customers

The Group recognises revenue from a contract when (or as) the Group satisfies a performance obligation by transferring a promised good or service to the customer. An asset is transferred when (or as) the customer obtains control of that asset. The customer obtains control on an asset or a service, when they can control its use and substantially receive all remaining benefits from the asset or the service.

Revenue is the amount to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties Variable amounts are included in the consideration and are estimated using either the "expected value" method, or the "most likely amount" method.

The performance obligation of a contract may be satisfied either at a point in time or over time.

An obligation for the sale of a good or the provision of a service is satisfied over time when:

a) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs,

b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced, or

c) the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

When the Group performs its contractual obligations by transferring goods or services to a customer before the customer pays the consideration or before payment is due, the Group shall present the contract as a contract asset. A contract asset is an entity's right to consideration in exchange for goods or services that the entity has transferred to a customer. An example are the construction services which are transferred to the customer before the Group (or the Company) is entitled to issue an invoice.

When the customer pays a consideration, or the Group has a right to an amount of consideration that is unconditional, before the entity transfers a good or service to the customer, the Group presents the contract as a contract liability. The contract liability is derecognised when the contractual performance obligations are satisfied and the corresponding revenue is recognised in the statement of comprehensive income.

The activities mainly generating the Group's revenue are presented in note 5 and revenue is recognised as follows:

a) Construction

Contracts with customers in the "Construction" segment mainly relate to the construction or/and maintenance of public and private projects as well as the sale of goods and services.

Revenue from construction and maintenance services is recognised over the time of the contract by using the percentage of completion method based on cost (input method).

Any variable consideration is included in contract consideration only to the extent that it is highly probable that it will not be subsequently reversed and it is calculated using either the "expected value" method, or the "most likely amount" method. In assessing the probability of recovering the variable consideration, management has to consider past experience adjusted to the circumstances of the existing contracts.

Revenue from the sale of goods is recognised when the control on the good is transferred to the customer, typically upon its delivery, and there is no unsatisfied obligation that could affect the acceptance of the good from the customer.

Revenue from the provision of services is recognised over time on a straight-line basis over the contract term.

The Group's contract assets and liabilities in respect of construction contracts are included in lines "Trade and other receivables" and "Trade and other payables" in the balance sheet.

b) Defence

The "Defence" segment mainly consists of revenue from the sale of goods including the manufacturing of parts of electronic units mainly of rocket and telecommunication systems and the construction of integrated electromechanical rocket systems which in their majority include a single performance obligation. Revenue from the sale of equipment is recognised when the control of the asset is transferred to the customer and, specifically, when the goods are delivered to and accepted by the customer.

The Group provides two-year repair guarantees for all products sold in accordance with industry practice. Liabilities for potential warranty costs are recognised as provisions upon the sale of the product and are included in the line "Provisions".

Revenue from the provision of services mainly relates to maintenance and support contracts and is recognised over time using the straight-line method over the term of the contract as the customers receive and at the same time reap the benefits resulting from the provision of the service on behalf of the Group. The services principally include a single performance obligation.

Group contracts with customers do not include variable consideration elements.

The Group's contract assets relating to contracts of this segment mainly relate to accrued income and are included in the line "Trade and other receivables", while liabilities relate to deferred revenue and customer advances and are included in line "Trade and other payables" respectively in the balance sheet.

c) Integrated information technology solutions for government and banking sectors

In the integrated information technology solutions segment, revenue from contracts with customers mainly relates to the following categories:

- applied integrated software processing system development and implementation services
- internally generated software development services
- cloud services (provision of equipment and implementation)
- network interface services
- sales of hardware
- sales of software licences

Revenue from the sale of hardware and software licences is recognised when the control of the asset is transferred to the customer and, specifically, when the goods are delivered to and accepted by the customer.

For revenue from the sale of software licences that are accompanied by support services, where the use of software licences is directly linked to the provision of support services, the recognition of the relevant revenue occurs over the years of service provision.

Revenue from the provision of services is recognised over time either using the straight-line method over the term of the contract when the customers receive and at the same time reap the benefits resulting from the provision of the service on behalf of the Group or based on the consideration the Group has the right to invoice on the basis of the hours worked.

d) Renewable energy sources

Revenue from the "Renewable energy sources" segment concern only the sale of electric energy from the operation of a wind farm. Revenue is recognised at a point in time with the delivery of electric energy.

Group contracts with customers do not include variable consideration elements.

e) Real estate development and operation and hotel services

The "Real estate development and operation and hotel services" segment includes mainly revenue from property sales. Revenue from the sale of property is recognised when property control is transferred to the customer.

Group contracts with customers do not include variable consideration elements.

2.28 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

2.29 Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares held as treasury shares.

Diluted earnings per share is calculated by dividing the net profit attributable to equity holders of the Company (after deducting interest on convertible shares, net of tax) by the weighted average number of ordinary shares outstanding during the year (adjusted for the effect of dilutive convertible shares).

The weighted average number of ordinary shares outstanding during the period and for all periods presented shall be adjusted for events that have changed the number of ordinary shares outstanding without a corresponding change in resources.

2.30 Roundings

Differences between amounts presented in the financial statements and corresponding amounts in the notes result from roundings.

2.31 Reclassifications

In the Group's statement of comprehensive income for year 2017, an amount of €2.052 has been reclassified from the line "Distribution and research expenses" to the line "Net gains/(losses) on impairment of financial assets".

In the Group's balance sheet in 2017, "Receivables from construction contracts" amounting to €39.874 and "Liabilities from construction contracts" amounting to €1.324 have been reclassified to "Trade and other receivables" and "Trade and other payables" lines respectively.

Reclassifications do not affect the Group's results or equity.

3. Financial risk management

3.1 Financial risk factors

INTRACOM SA, being a Greek multinational company, is exposed to a variety of financial risks, including market risk (the effects of changes in foreign currency exchange rates, cash flow and fair value risk from changes in interest rates and market prices), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group as a whole.

(All amounts in €'000)

The Group's financial liabilities consist of current and non-current borrowings, bond loans and finance lease agreements. With the above products, the Group finances its needs for working capital as well as capital expenditure. Moreover, the Group manages financial assets, mainly short-term bank deposits arising from operating activities.

Where considered necessary, the Group considers the use of derivative financial instruments exclusively for the hedging of interest or exchange rate risk, since according to the approved policy speculative use is not permitted.

In summary, the financial risks that arise are analysed below.

(a) Market risk

Foreign exchange risk

The foreign exchange risk of the Group is limited, since for most of the foreign currency receivables, there are corresponding payables in the same currency. Almost all foreign currency contracts for both assets and liabilities are denominated in USD.

In cases where natural hedge is not adequate due to large amounts of foreign currency payables, the Group may convert part of the borrowings to that currency or may use forward currency contracts.

The Group's policy is to maintain a minimum amount of cash in foreign currency, to meet short-term liabilities in that currency.

The following table presents the sensitivity of the Group's net results in possible fluctuations of the foreign exchange rates for the years 2018 and 2017. This analysis takes into consideration borrowings and cash and cash equivalents of the Group, as well as trade receivables and payables in USD as at 31 December 2018 and 2017 respectively.

Increase in EUR/USD rate by	Effect on net results 31/12/2018	Effect on net results 31/12/2017
3,00%	(572)	(445)
6,00%	(1.145)	(889)
9,00%	(1.717)	(1.334)
12,00%	(2.290)	(1.779)

The following table presents the sensitivity of the Company's net results in possible fluctuations of the foreign exchange rates for the years 2018 and 2017. This analysis takes into consideration borrowings and cash and cash equivalents of the Company, as well as trade receivables and payables in USD as at 31 December 2018 and 2017 respectively.

(All amounts in €'000)

Increase in EUR/USD rate by	Effect on net results 31/12/2018	Effect on net results 31/12/2017
3,00%	(25)	(24)
6,00%	(49)	(48)
9,00%	(74)	(72)
12,00%	(98)	(96)

Price risk

The Group's exposure to changes in the prices of the shares held at fair value through profit or loss or as investments at fair value through other comprehensive income is not considered significant.

Cash flow and fair value interest rate risk

The interest-rate risk has been partly mitigated by converting a significant part of borrowings into floating rate taking advantage of the negative Euribor levels. The weighted average interest rate levels of 2018 have remained largely the same as 2017. It is estimated that during the current financial year the specific risk will be limited as it is considered highly probable that interest rates will remain stable in the short-term.

The following tables present the sensitivity of the Group's net results in possible fluctuations of the interest rates for the years 2018 and 2017. The analysis takes into consideration borrowings and cash and cash equivalents of the Group as at 31 December 2018 and 2017 respectively.

Financial instruments in Euro

Interest rate increase (Basis Points)	Effect on net results 31/12/2018	Effect on net results 31/12/2017
25,00	(352)	(272)
50,00	(705)	(543)
75,00	(1.057)	(815)
100,00	(1.410)	(1.086)

(All amounts in €'000)

Financial instruments in USD

Interest rate increase (Basis Points)	Effect on net results 31/12/2018	Effect on net results 31/12/2017
25,00	7	29
50,00	13	57
75,00	20	86
100,00	27	115

The following tables present the sensitivity of the Company's net results in possible fluctuations of the interest rates for the years 2018 and 2017. The analysis takes into consideration borrowings and cash and cash equivalents of the Company as at 31 December 2018 and 2017 respectively.

Financial instruments in Euro

Interest rate increase (Basis Points)	Effect on net results 31/12/2018	Effect on net results 31/12/2017
25,00	8	22
50,00	15	45
75,00	23	67
100,00	30	90

Financial instruments in USD

Interest rate increase (Basis Points)	Effect on net results 31/12/2018	Effect on net results 31/12/2017
25,00	2	2
50,00	4	4
75,00	6	6
100,00	8	8

(b) Credit risk

The sales transactions of the Group are made to private companies and public sector organisations with an appropriate credit history, with which in many cases there is a long standing relationship. In any case, though, and given the current circumstances of the Greek economy, the Group monitors very closely trade receivables and when needed it takes legal and non-legal actions so as to ensure the collectibility of these receivables, thus minimising credit risk. As a result, the risk of doubtful debts is considered limited.

(All amounts in €'000)

Regarding credit risk related to cash deposits, the Group collaborates only with financial institutions of high credit rating.

(c) Liquidity risk

Each subsidiary draws up and monitors on a monthly basis a cash flow schedule that includes the operating as well as the investing cash flows. All subsidiaries submit to Intracom Holdings on a weekly basis a detailed report of their cash and credit position, in order that an effective monitoring and co-ordination on a group level is achieved.

Prudent liquidity management is achieved by an appropriate combination of cash and cash equivalents and approved bank facilities. The Group manages the risks that may arise from lack of adequate liquidity by ensuring there are always approved bank facilities for use. The undrawn borrowing facilities available to the Group are sufficient to address any potential shortfall in cash.

On 31 December 2018 current and non-current borrowings of the Group amounted to 52% (2017: 56%) and 48% (2017: 44%) of total borrowings respectively.

As regards capital controls that were enforced in Greece, the Group's international activity and export-oriented model help Group companies to overcome any difficulties that arise and continue to operate properly in every aspect of the business.

3.2 Capital management

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

Group's capital is considered sufficient on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital employed. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated balance sheet) less 'cash and cash equivalents'. Total capital employed is calculated as 'equity attributable to Company's equity holders' as shown in the consolidated balance sheet plus net debt.

	Group		Company	
	1/1 - 31/12/2018	**1/1 - 31/12/2017**	**1/1 - 31/12/2018**	**1/1 - 31/12/2017**
Total borrowings (note 23)	209.093	243.487	22.612	51.394
Less: Cash and cash equivalents (note 20)	(75.881)	(148.226)	(26.425)	(61.130)
Net borrowings	**133.212**	**95.261**	**(3.813)**	**(9.736)**
Equity	263.110	270.295	264.624	268.623
Total capital employed	**396.322**	**365.556**	**260.811**	**258.887**
Gearing ratio	33,61%	26,06%	-1,46%	-3,76%

3.3 Fair value estimation

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

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

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

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

At 31 December 2018 the Group had:

- Financial assets at fair value through profit or loss of €217 which are classified in Level 1.

- Financial assets at fair value through profit or loss of €648 which are classified in Level 3.

- Financial assets at fair value through other comprehensive income of €1.389 which are classified in Level 1.

- Financial assets at fair value through other comprehensive income of €38.899 which pertain to unquoted securities and are classified in Level 3.

At 31 December 2017 the Group had:

- Financial assets at fair value through profit or loss of €264 which are classified in Level 1.

- Available-for-sale financial assets out of which €2.791 are classified in Level 1.

- Available-for-sale financial assets of €39.923 which relate to unquoted securities the fair value of which cannot be estimated reliably and, as a result, were presented at cost less impairment.

There were not any transfers between level 1 and 3 during the year.

The quoted market prices of shares traded in active markets were used for the evaluation of financial assets classified in level 1.

For the valuation of the financial assets classified in level 3, which are presented in detail in note 13, the Group applies valuation techniques.

In order to evaluate the Group's interest held in GoReward Ltd, which is the most important in value investment of this category, the Group mainly used the method of cash-flow discounting based also on information for companies of the same industry. Where the cash flow discounting method was used, the weighted average cost of capital per Group company was used as discounting rate, which ranges between 11% and 15%.

3.4 Offsetting financial assets and financial liabilities

On 31 December 2018 and 2017 the Group does not have any financial assets and liabilities subject to offsetting, enforceable master netting arrangements and similar agreements.

4. Critical accounting estimates and judgments

Estimates and judgements are regularly reviewed and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the current circumstances.

The Group makes estimates and assumptions concerning the future. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- The Group is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

- The Group recognises a provision that represents the present value of the estimated liability for the repair or replacement of guaranteed products or concerning the delivery of projects/rendering of services at the balance sheet date. This provision is calculated on the basis of historical facts over repairs and replacements.

- The estimation of the impairment of land and buildings (including investment property) required the performance of estimations which mainly relate to the cause, the time and the amount of impairment. The Group assesses in each reporting period whether there are indications that the value of PPE and investment property has been impaired based on the accounting principle applied. Management makes significant estimates in order to estimate recoverable value. Impairment testing is performed by Management in cooperation with independent valuers.

- The Group tests annually whether goodwill has suffered any impairment. These tests are based either on discounted cash flows (calculation of value in use) of cash generating units, or on fair values less costs to sell.

- The Company assesses in each reporting period whether there are indications of impairment in the value of investments in subsidiaries. Where there are indications of impairment, the Company performs an impairment test according to the accounting policy applied. Management's key estimates regarding the calculation of the recoverable value pertain to the estimation of future cash flows, which depends on a number of factors including future sales expectations, cost estimations as well as the use of an appropriate discount rate.

There are no cases whereby Management was required to exercise significant judgement regarding the application of the accounting policies.

5. Segment information

At 31 December 2018, the Group is organised into five key segments:

(1) Information technology solutions for the public and private sector

(2) Defence systems

(All amounts in €'000)

(3) Construction

(4) Renewable energy sources

(5) Real estate development and operation

Information per operating segment for the year 2018 includes two new segments, the renewable energy sources and the real estate development and operation.

The segment information for the year ended 31 December 2018 is as follows:

	Renewable energy sources	Information technology solutions for public and private sector	Defence systems	Construction	Real estate development and operation	Other	Total
Total gorss sales per segment	6.693	172.692	59.770	235.060	4.458	2.519	481.192
Inter-segment sales	-	(6.923)	-	(1.334)	-	(2.237)	(10.494)
Total sales	**6.693**	**165.769**	**59.770**	**233.725**	**4.458**	**282**	**470.697**
Revenue recognition							
Over time	-	149.641	1.435	210.798	-	282	362.156
At a point in time	6.693	16.129	58.334	22.928	4.458	-	108.541
	6.693	**165.769**	**59.770**	**233.725**	**4.458**	**282**	**470.697**
Operating profit/(loss)	3.702	9.936	3.444	9.920	1.038	(5.100)	22.940
Earnings before interest, tax, depreciation, amortisation and impairment (EBITDA)	**5.415**	**12.298**	**4.214**	**9.025**	**1.670**	**(364)**	**32.258**
Depreciation (note 28)	(1.772)	(2.034)	(1.306)	(2.215)	(430)	(1.526)	(9.283)
Finance income (note 33)	11	430	136	813	70	612	2.072
Finance expenses (note 33)	(1.583)	(4.674)	215	(8.415)	(1.938)	(1.418)	(17.814)
Share of profit/(loss) of associates	-	19	-	(170)	(180)	(25)	(355)
Income tax	(445)	(4.135)	(1.915)	(2.890)	(9)	241	(9.154)
Impairment of receivables (note 30)	135	441	36	1.953	100	40	2.706
Impairment of inventory (note 28)	-	-	484	-	-	-	484
Total assets	**36.538**	**155.408**	**80.680**	**317.096**	**45.498**	**144.098**	**779.318**
Total assets include:							
Investments in associates (note 11)	-	279	-	1.098	8.551	-	9.928
Non-current assets*	30.480	23.094	32.418	54.781	25.336	61.431	227.540
Additions in non-current assets* (notes 6, 7, 8 and 9)	450	4.669	560	3.212	2.300	76	11.266
Total liabilities	**28.842**	**136.581**	**13.661**	**275.065**	**16.499**	**45.561**	**516.208**

* Includes PPE, investment property, intangible assets and goodwill.

(All amounts in €'000)

The segment information for the year ended 31 December 2017 is as follows:

	Renewable energy sources	Information technology solutions for public and private sector	Defence systems	Construction	Real estate development and operation	Other	Total
Total gorss sales per segment	5.663	175.647	65.856	149.920	4.742	2.554	404.383
Inter-segment sales	-	(2.532)	(44)	(2.401)	-	(2.277)	(7.254)
Total sales	**5.663**	**173.115**	**65.812**	**147.519**	**4.742**	**277**	**397.129**
Revenue recognition							
Over time	-	171.958	1.602	134.014	-	277	307.852
At a point in time	5.663	1.156	64.210	13.505	4.742	-	89.276
	5.663	**173.115**	**65.812**	**147.519**	**4.742**	**277**	**397.129**
Operating profit/(loss)	3.051	9.038	2.521	10.228	(2.993)	(628)	21.217
Earnings before interest, tax, depreciation, amortisation and impairment (EBITDA)	**4.765**	**10.535**	**3.828**	**12.058**	**(2.737)**	**894**	**29.344**
Depreciation (note 28)	(1.714)	(1.497)	(1.307)	(1.813)	(230)	(1.522)	(8.083)
Finance income (note 33)	2	524	2.108	497	18	1.324	4.473
Finance expenses (note 33)	(1.764)	(4.877)	(1.423)	(10.579)	(782)	(1.579)	(21.003)
Share of profit/(loss) of associates	-	0	-	(67)	(404)	(50)	(521)
Income tax	-	(1.527)	(1.177)	(2.583)	(13)	27	(5.273)
Impairment of receivables (note 30)		37	(21)	(2.068)	-	-	(2.052)
Impairment of inventory (note 28)		4	152	-	-	-	156
Total assets	**36.029**	**160.759**	**96.210**	**245.637**	**47.744**	**203.175**	**789.552**
Total assets include:							
Investments in associates (note 11)	-	4	-	757	9.460	-	10.221
Non-current assets*	29.143	20.792	33.165	56.639	30.451	62.808	232.999
Additions in non-current assets* (notes 6, 7, 8 and 9)	-	3.475	826	25.562	4.073	57	33.994
Total liabilities	**32.280**	**140.199**	**30.224**	**184.788**	**38.163**	**93.604**	**519.257**

* Includes PPE, investment property, intangible assets and goodwill.

Segment information for the comparative period has been adjusted in accordance with the change in segments' composition which took place in 2018.

The activities of the parent company Intracom Holdings SA, as well as its assets and liabilities are included under the column 'Other'. The assets consist primarily of property, plant and equipment and investment property.

The reconciliation of earnings before interest, tax, depreciation and amortisation (EBITDA) against profit/(loss) before tax is as follows:

	1/1 - 31/12/2018	1/1 - 31/12/2017
Earnings before interest, tax, depreciation, amortisation and impairment (EBITDA)	**32.258**	**29.344**
Depreciation and amortisation	(9.283)	(8.083)
Impairment losses from tangible and intangible assets and investment property	(35)	-
Finance cost - net (note 33)	(15.742)	(16.531)
Loss from associates	(355)	(521)
Impairment of available-for-sale financial assets (note 32)	-	(44)
Profit before tax	**6.842**	**4.166**

Intersegmental transfers and transactions are conducted under the normal commercial terms and conditions that would also apply to independent third parties.

(All amounts in €'000)

Information per geographical area:

Sales	**1/1 - 31/12/2018**	**1/1 - 31/12/2017**
Greece	274.187	183.025
European Community	110.900	110.864
Other European countries	2.179	10.134
Other countries	83.432	93.106
Total	**470.697**	**397.129**

Non-current assets	**31/12/2018**	**31/12/2017**
Greece	227.732	228.271
European Community	5.893	9.251
Other European countries	-	1.889
Other countries	3.842	3.809
Total	**237.467**	**243.220**

* Includes PPE, investment property, intangible assets, goodwill and investments in associates.

Sales are allocated based on the country in which the customer is located. Assets are allocated based on their geographical location.

At 31 December 2018, the contract backlog of the Group amounted to €874 million and the corresponding revenue is expected to be recognised in the following years, as follows:

Timing	**Information technology solutions for public and private sector**	**Defence systems**	**Construction**	**Total**
2019	145	51	243	439
2020	84	27	160	271
2021 and beyond	125	2	37	164
	354	**80**	**440**	**874**

(All amounts in €'000)

6. Property, plant and equipment

Group

	Land - Buildings	Machinery	Vehicles	Telecommunications equipment	Furniture and other equipment	Prepayments and assets under construction	Total
Cost							
Balance at 1 January 2017	106.325	75.255	2.417	1.041	10.456	5.345	200.839
Currency translation differences	(23)	(2)	(11)	(108)	(34)	(1)	(179)
Additions	386	5.005	212	428	1.560	2.987	10.578
Disposals	(152)	(1.735)	(298)	(542)	(135)	(2)	(2.864)
Acquisition of control in subsidiary	-	-	36	-	38	-	73
Reclassifications	2.866	70	-	-	-	(2.936)	-
Transfer to investment property (note 9)	(913)	-	-	-	-	-	(913)
Transfer from investment property (note 9)	193	-	-	-	-	-	193
Disposal of branch	-	(26)	(4)	-	(33)	-	(63)
Balance at 31 December 2017	108.682	78.567	2.352	818	11.852	5.393	207.664
Balance at 1 January 2018	108.682	78.567	2.352	818	11.852	5.393	207.664
Currency translation differences	(1)	(1)	3	19	-	17	38
Additions	536	1.375	55	76	1.314	812	4.168
Disposals/write-offs	(359)	(1.832)	(231)	(21)	-	(1.270)	(3.714)
Disposal of subsidiaries	(2.912)	(1)	(90)	-	-	(728)	(3.730)
Reclassifications	321	129	-	-	-	(450)	-
Transfer to investment property (note 9)	(9)	-	-	-	-	-	(9)
Transfer from investment property (note 9)	2.606	-	-	-	-	-	2.606
Balance at 31 December 2018	108.864	78.237	2.089	892	13.166	3.775	207.022
Accumulated depreciation							
Balance at 1 January 2017	34.365	34.805	2.106	905	8.935	-	81.115
Currency translation differences	(12)	(9)	(5)	(92)	(24)	-	(143)
Depreciation charge	1.970	3.451	120	93	526	-	6.159
Disposals	(62)	(1.115)	(261)	(540)	(130)	-	(2.107)
Acquisition of subsidiaries/businesses	-	-	36	-	38	-	73
Transfer to investment property (note 9)	(5)	-	-	-	-	-	(5)
Transfer from investment property (note 9)	44	-	-	-	-	-	44
Disposal of branch	-	(23)	(4)	-	(30)	-	(56)
Balance at 31 December 2017	36.299	37.108	1.991	365	9.316	-	85.079
Balance at 1 January 2018	36.299	37.108	1.991	365	9.316	-	85.079
Currency translation differences	(0)	5	3	10	15	-	33
Depreciation charge	2.129	3.740	115	128	699	-	6.811
Disposals/write-offs	(111)	(1.776)	(164)	(21)	(1.217)	-	(3.287)
Disposal of subsidiaries	(213)	-	-	(18)	(191)	-	(422)
Transfer to investment property (note 9)	817	-	-	-	-	-	817
Balance at 31 December 2018	38.921	39.078	1.945	465	8.622	-	89.031
Net book amount at 31 December 2017	**72.383**	**41.459**	**361**	**453**	**2.536**	**5.393**	**122.586**
Net book amount at 31 December 2018	**69.943**	**39.160**	**144**	**427**	**4.544**	**3.775**	**117.994**

Property, plant and equipment include assets held under finance lease as follows:

	Machinery	Vehicles	Total
31/12/2017			
Cost	3.360	44	3.404
Accumulated depreciation	(381)	(2)	(383)
Net book amount	**2.979**	**42**	**3.021**
31/12/2018			
Cost	3.446	44	3.490
Accumulated depreciation	(521)	(8)	(528)
Net book amount	**2.926**	**36**	**2.962**

(All amounts in €'000)

Company

	Land - Buildings	Machinery	Vehicles	Furniture and other equipment	Total
Cost					
Balance at 1 January 2017	14.788	108	135	333	15.365
Additions	-	-	-	8	8
Transfer to investment property (note 9)	(1.786)	-	-	-	(1.786)
Transfer from investment property (note 9)	18	-	-	-	18
Balance at 31 December 2017	**13.020**	**108**	**135**	**341**	**13.604**
Balance at 1 January 2018	13.020	108	135	341	13.604
Additions	3	-	37	16	55
Disposals/write-offs	-	-	(8)	-	(8)
Transfer from investment property (note 9)	343	-	-	-	343
Balance at 31 December 2018	**13.366**	**108**	**164**	**357**	**13.995**
Accumulated depreciation					
Balance at 1 January 2017	5.133	89	127	192	5.541
Depreciation charge	209	4	3	18	234
Transfer to investment property (note 9)	(561)	-	-	-	(561)
Transfer from investment property (note 9)	6	-	-	-	6
Balance at 31 December 2017	**4.787**	**93**	**130**	**210**	**5.220**
Balance at 1 January 2018	4.787	93	130	210	5.220
Depreciation charge	213	2	7	18	241
Disposals/write-offs	-	-	(5)	-	(5)
Transfer from investment property (note 9)	110	-	-	-	110
Balance at 31 December 2018	**5.111**	**95**	**131**	**228**	**5.566**
Net book amount at 31 December 2017	**8.233**	**15**	**5**	**131**	**8.384**
Net book amount at 31 December 2018	**8.255**	**12**	**33**	**129**	**8.429**

During previous years, the Company and the Group entered into sale and lease back agreements of property and investment property with net book value amounting to €14.523 in 2018 (2017: €14.867).

Liabilities are secured against fixed assets of the Group and the Company for the value of €75.824 and €2.400 respectively.

7. Goodwill

	Group
Balance at 1 January 2017	20.177
Acquisition of subsidiaries/businesses (note 42)	17.388
Balance at 31 December 2017	**37.565**
Balance at 1 January 2018	37.565
Disposal of subsidiaries	(116)
Balance at 31 December 2018	**37.449**

(All amounts in €'000)

Goodwill has resulted from the acquisition of the companies listed below and is allocated to cash generating units (CGUs) as follows:

	31/12/2018	31/12/2017
Intrasoft International SA	11.361	11.361
Intrasoft International Scandinavia (former IT Services Denmark A/S)	2.211	2.212
Intrakat SA - construction segments	3.562	3.562
INTRAPAR SA	17.388	17.388
Prisma - Domi SA (absorbed from Intrakat SA)	326	326
Inestia Hospitality SA	-	116
K-WIND Energy SA	2.600	2.600
	37.449	**37.565**

The decrease of €116 is due to the sale of Inestia, which took place in December 2018 (note 10).

In order to assess whether there is goodwill impairment as at 31 December 2018, the Group performed the relevant impairment tests, at Group level, on cash generating units (CGUs) to which goodwill has been allocated.

The recoverable amount of goodwill arising from the acquisition of INTRAPAR SA in 2017 which amounts to €17.388 has been determined using the method and assumptions analysed below.

The recoverable amount of goodwill allocated to other significant CGUs has been determined based on value-in-use. Value-in-use reflects the present value of expected future cash flows of the CGU discounted at a rate that reflects the time value of money and the risks associated with the CGU. The cash flow projections for the cash generating units Intrasoft International SA, Intrasoft International Scandinavia and Intrakat SA - construction segments are based on the business plans for the five year period 2019-2023. The above business plans have been approved by the Boards of Directors of Group companies and have been prepared based on 2018 results, while cash flows beyond the five-year period have been extrapolated using the perpetual growth rate as presented below.

K-WIND Energy SA (former A. Katselis Energeiaki SA) has obtained a wind farm operation licence. Cash flow projections have been based on the budget of the wind park operation project, the duration of which is estimated at 20 years and which is considered to have zero residual value.

The goodwill amounting to €3.562 in the line "Intrakat SA" has resulted from the absorption of the sectors of three companies from the subsidiary Intrakat SA in financial year 2008. These sectors are not monitored as individual CGUs as they have been fully absorbed, thus the overall evaluation of Intrakat is taken into account for testing goodwill impairment.

(All amounts in €'000)

The key assumptions used for the most significant CGUs, as described above, are as follows:

	Intrasoft International SA	**Intrasoft International Scandinavia**	**Intrakat SA - Construction segments**	**K-WIND Energy SA**
Revenue growth	4% - 7%	0.9% - 1.4%	10% - 25%	0,0%
Gross margin	14% - 16%	70% - 80%	12.0% - 12.5%	-
EBITDA margin	7% - 8%	12% - 16%	6.8%-7%	84% - 88%
Perpetuity growth rate	1,0%	1,0%	1,0%	-
Discount rate	8,9%	7,5%	7,5%	7,7%

The key assumptions used for value-in-use calculation are based on past performance as well as on expectations of the future development of operations and are consistent with external factors.

Based on the tests performed, the recoverable amount of goodwill exceeds its carrying value and there is no impairment loss.

From the sensitivity analysis for the recoverable value of goodwill there were no possible changes in key assumptions, as presented above, that would result in the recognition of impairment loss related to goodwill.

<u>INTRAPAR SA</u>

For the purposes of impairment testing of the goodwill arising on the acquisition of INTRAPAR in financial year 2017, which was absorbed by the subsidiary company Intradevelopment during financial year 2018, the total assets and liabilities of the former subsidiary were considered as CGU and the following information was taken into account:

- INTRAPAR did not have any significant independent activity, thus no significant independent cash flows.
- INTRAPAR's most significant asset was its investment in the associate KEKROPS.
- The associate KEKROPS does not generate cash flows from its own operations, as its assets consist of properties the majority of which is not commercially exploited.

Based on the above, the recoverable amount of the goodwill generated from the acquisition was estimated using the CGU's fair value (less distribution costs), which was estimated based on the share of the subsidiary Intradevelopment in KEKROPS assets' fair value.

The fair value of KEKROPS' assets was estimated based on an adjustment of its properties (land and buildings) to current values (less costs to sell), as a result the adjusted equity of KEKROPS was estimated as of the reporting date. Consequently, INTRAPAR balance sheet's recoverable amount was estimated based on its adjusted equity as of the reporting date, after the necessary adjustments in the associate's assets to current values (less costs to sell).

The measurement of properties (owner-occupied, investment and disputed property) at fair value was determined taking into consideration the Company's ability to achieve maximum and optimum use, assessing each item's use provided that it is practically, financially and legally feasible. This assessment is based on physical features, permitted use and opportunity costs of existing investments.

It must be noted that regarding the properties of KEKROPS for which there is a dispute with the Greek State, the Supreme Court issued the decision No 589/2018 which upheld the appeal filed by KEKROPS against the Supreme Court's No 3401/2014 against the Greek State. More specifically, this decision nullified the decision of the Court of Appeals against the Company, as, in breach of article 281 AK, it had rejected as illegitimate the objection for abusive use of the Greek State's right of ownership, by which KEKROPS claimed that the Greek State for at least 70 years expressly acknowledged the Company's ownership through a number of declaratory actions. The case was discussed before the Three-Member Court of Appeal of Athens at the hearing held on 4 December 2018 for judgement on the merits of the case, in accordance with the above-mentioned binding for the Court of Appeal judgements of the Supreme Court, and a decision is expected to be delivered. The Supreme Court's decision combined with the provisions of IFRS 13 (BC69) provides to Management the basis to support the legally permissible use of the disputed properties.

(All amounts in €'000)

The valuation methods and assumptions used for KEKROPS' properties per property category are presented in the following table:

Elements	Method	Main parameters
Owner-occupied tangible fixed assets	Comparable data approach Depreciated replacement cost approach	Land plot 5.102,07 sqm Building 1.608,05 sqm Surface for additional bulding 3.683,47 sqm Buildings 1.500 €/sqm Land plots 1.600 €/sqm Cost 800 €/sqm Depreciation index 0,364
Investment property (vacant stores)	Income approach	Surface 1.388,97 sqm Total annual rent € 246 thousand Annual Yield 8,25%
Investment property (land plots in Psychiko & Halandri)	Comparable data approach Residual approach	Land plots 1.2000,00 €/sqm - 1.850,00 €/sqm
Properties under law dispute		
Area outside planning zone	Discounted cash flow approach	Area 224.000 sqm Exploitable area for private urban planning 80.640 sqm (62 x 1.500) 1.800,00 €/sqm Promotion cost 2% Infastructure cost € 9,4 ml in 2 years Financing 50% Interest rate 9% Sales of land plots from 2019 (2-years grace period for borrowings) Repayment in 8 years Discount rate 13,5%
Area inside planning zone Land plots in Psychiko	Comparable data approach Residual approach	Land plots 1.790,00 €/sqm - 1.820,00 €/sqm
Apartment	Comparable data approach	Estimated surface 427,46 sqm 5.400,00 €/sqm 50% ownership

According to the results of impairment testing, the adjusted equity of the CGU is higher than its carrying value, as a result no impairment loss has been recognised.

(All amounts in €'000)

8. Intangible assets

Group

	Software	Trade name	Customer relationships	Concession rights	Other	Total
Cost						
Balance at 1 January 2017	18.981	661	1.707	3.246	240	54.645
Currency translation differences	199	-	-	-	(182)	(389)
Additions	739	-	-	2.546	3	4.860
Disposals/write-offs	(205)	-	-	-	(6)	(211)
Balance at 31 December 2017	19.713	661	1.707	5.792	55	58.904
Balance at 1 January 2018	19.713	661	1.707	5.792	55	58.904
Currency translation differences	4	-	-	-	-	61
Additions	760	-	-	1.379	-	4.233
Disposals/write-offs	(3.484)	-	-	-	(3)	(3.509)
Disposal of subsidiaries	(58)	-	-	-	-	(58)
Reclassifications	(463)	-	-	-	-	-
Balance at 31 December 2018	16.472	661	1.707	7.171	52	59.632
Accumulated amortisation						
Balance at 1 January 2017	18.139	-	1.707	-	52	47.977
Currency translation differences	207	-	-	-	-	(95)
Amortisation charge	400	-	-	-	-	890
Disposals/write-offs	(204)	-	-	-	-	(204)
Balance at 31 December 2017	18.541	-	1.707	-	52	48.568
Balance at 1 January 2018	18.541	-	1.707	-	53	48.568
Currency translation differences	2	-	-	-	-	31
Amortisation charge	551	-	-	261	-	1.375
Disposals/write-offs	(3.505)	-	-	-	(2)	(3.507)
Disposal of subsidiaries	(20)	-	-	-	-	(20)
Balance at 31 December 2018	15.569	-	1.707	261	51	46.446
Net book amount at 31 December 2017	**1.172**	**661**	**-**	**5.792**	**3**	**10.336**
Net book amount at 31 December 2018	**904**	**661**	**-**	**6.910**	**1**	**13.185**

The concession right is held by the subsidiary Rural Connect S.A., which has been assigned by Information Society S.A. (the "Grantor") with the construction and operation for a 17-year period of the project "Development of broadband infrastructure in disadvantaged rural areas ("white areas") of Greece and operation of the infrastructure". The broadband network infrastructure will return to the Grantor when the concession agreement expires. For the right to receive payments from grantor refer to note 18.

(All amounts in €'000)

Company

	Software	Total
Cost		
Balance at 1 January 2017	8	8
Additions	39	39
Balance at 31 December 2017	47	47
Balance at 1 January 2018	47	47
Balance at 31 December 2018	47	47
Accumulated amortisation		
Balance at 1 January 2017	6	6
Amortisation charge	10	10
Balance at 31 December 2017	16	16
Balance at 1 January 2018	16	16
Amortisation charge	12	12
Balance at 31 December 2018	28	28
Net book amount at 31 December 2017	**31**	**31**
Net book amount at 31 December 2018	**19**	**19**

(All amounts in €'000)

9. Investment property

	Group	Company
Cost		
Balance at 1 January 2017	93.729	72.638
Currency translation differences	(518)	-
Additions	776	10
Acquisition of subsidiaries	320	-
Disposal of subsidiaries	(11.875)	-
Transfer to receivables	(847)	-
Disposals	(910)	-
Transfer to PPE (note 6)	(193)	(18)
Transfer from PPE (note 6)	913	1.786
Transfer to inventories	(2.361)	-
Balance at 31 December 2017	79.035	74.416
Balance at 1 January 2018	79.035	74.416
Currency translation differences	147	-
Additions	2.865	20
Disposal of subsidiaries	(135)	-
Transfer from receivables	401	-
Impairment	(35)	(35)
Transfer to PPE (note 6)	(2.606)	(343)
Transfer from PPE (note 6)	9	-
Transfer to inventories	(3.926)	-
Balance at 31 December 2018	75.756	74.058
Accumulated depreciation		
Balance at 1 January 2017	15.632	20.643
Currency translation differences	(105)	-
Transfer to PPE (note 6)	(44)	(6)
Transfer from PPE (note 6)	5	561
Depreciation charge	1.034	1.225
Balance at 31 December 2017	16.523	22.423
Balance at 1 January 2018	16.523	22.423
Currency translation differences	41	-
Transfer to PPE (note 6)	-	(110)
Transfer from PPE (note 6)	(817)	-
Depreciation charge	1.097	1.221
Balance at 31 December 2018	16.844	23.533
Net book amount at 31 December 2017	**62.513**	**51.994**
Net book amount at 31 December 2018	**58.912**	**50.525**

(All amounts in €'000)

Rental income from investment properties for 2018 amounted to €1.976 and €2.246 for the Group and the Company respectively (2017: €1.679 and €2.197 for the Group and the Company respectively).

10. Investments in subsidiaries

The movement in investments in subsidiaries is analysed as follows:

	Company	
	31/12/2018	**31/12/2017**
Balance at the beginning of the year	154.158	132.312
Additions / share capital increases	37.031	21.846
Balance at the end of the year	**191.189**	**154.158**

The interests held in subsidiaries and their carrying amounts at 31 December are as follows:

		31/12/2018		31/12/2017	
Name	**Country of incorporation**	**% interest held**	**Carrying value**	**% interest held**	**Carrying value**
Intrasoft International SA	Luxemburg	99,99%	52.408	99,99%	52.407
Intracom S.A. Defence Electronic Systems	Greece	100%	52.780	100%	52.780
Intrakat S.A.	Greece	79,56%	35.710	79,56%	34.255
Intradevelopment SA	Greece	100%	19.972	62,39%	9.252
Intracom Holdings International Ltd	Cyprus	100%	18.165	100%	4.675
Intracom Group USA Inc*	USA	2,91%	65	2,91%	65
Rural Connect SA**	Greece	30%	725	30%	725
Intrapower S.A. Energy Projects	Greece	100%	800	-	-
- Intrablue Hotel and Tourist Enterprises SA***	Greece	50%	600	-	-
-K-Wind Kitheronas Energy SA (former A. Katselis Energeiaki SA)	Greece	80%	9.966	-	-
			191.189		**154.158**

(*) The total shareholding as at 31 December 2018 is 100% through the participation of subsidiaries of the Group (2017: 100%).

(**) The total shareholding as at 31 December 2018 is 87,73% through the participation of the subsidiary Intrakat SA (2017: 87.73%).

(***) The total shareholding as at 31 December 2018 is 100% through the participation of the subsidiary Intradevelopment SA (2017: 57.74%).

The above list contains only the direct investments in subsidiaries. A list of all the direct and indirect interests in subsidiaries is presented in note 41.

Year 2018

Company transactions and changes in shareholdings

At 29 June 2018, the Annual General Meeting of the Company's shareholders approved the acquisition of the below shareholdings in subsidiaries from the subsidiary Intrakat:

a) the total number of the registered ordinary shares held by Intrakat in "INTRADEVELOPMENT SA REAL ESTATE DEVELOPMENT AND EXPLOITATION".

b) the total number of the registered ordinary shares held by Intrakat in "WIND KITHERONAS ENERGY S.A.".

c) the total number of the registered ordinary shares held by Intrakat in "INTRA-BLUE HOSPITALITY AND TOURISM ENTERSPRISES S.A.".

d) the total number of the registered ordinary shares held by Intrakat in "INTRAPOWER SA ENERGY PROJECTS - REPAIR AND MAINTENANCE OF FACILITIES - SECURITY SERVICES PROVISION COMPANY".

As a result of the aforementioned transactions completed in October and November 2018, the Group's and Company's shareholding in the Intradevelopment group and the subsidiary Intrapower now stands at 100% and in the subsidiary K-WIND at 80%. Moreover, the Company's direct interest held in Intrablue amounts to 50%, while its indirect interest held through Intradevelopment is 100%. The consideration for the aforementioned transactions amounted to €22.086 and at 31 December 2018 it was not paid up and is included in the Company's liabilities. The transaction's impact on the Group was a decrease of €1.405 in retained earnings with a corresponding increase in non-controlling interests.

Furthermore, the Company has increased its share capital in the subsidiary Intracom Holdings International Ltd by paying the amount of €13.490.

Other changes in Group shareholdings

The subsidiary Intradevelopment participated in the share capital increase of the subsidiary INESTIA TOURISTIKI S.A. and, following non-controlling interest's waiver of their preference right, its interest held increased to 70%. Then, in December 2018, the subsidiary Inestia was sold for €2.505. The profit from the sale amounted to €4.796 and is included in the line "Other gains/(losses) - net". The impact on the Group's equity from the aforementioned transactions was an increase of €1.033 in non-controlling interests.

Finally, the subsidiary Intradevelopment participated in a share capital increase in the company INTRA ATHENS HOTELS SA with a percentage lower than non-controlling interests, resulting in the decrease of the Group's shareholding to 50,98%. The amount paid for the increase and the impact on the Group's equity was €245.

Year 2017

c) Split-up of subsidiary Inmaint

The subsidiary Inmaint decided its split-up into two parts. One part was absorbed by the subsidiary Intrapower SA and the other part was absorbed by a third party outside the Group. The split-up was approved on 31.08.2017.

Assets and liabilities transferred amounted to €887 and €830 respectively.

The activity of the division transferred was not significant.

Changes in other interests held

(All amounts in €'000)

On 30.03.2017, the subsidiary Intrasoft acquired 10% of Rural's shares from non-controlling interests for €242. This amount decreased Group's equity.

On 26 June 2017, the general meeting of the Company's shareholders decided to increase the interest held in the subsidiary Intrakat by offsetting receivables amounting to €3.051. Subsequently, the Company participated in the share capital increase of Intrakat by paying the amount of €8.180. Minority interests' contribution in the share capital increase amounted to €1.979. Combined with the acquisition of shares from the Stock Exchange for €993, the total interest held reached 79,56%. As a result of the above transactions, Group's equity increased by €986 and the effect on non-controlling interests was a decrease of €6.339.

On 14 June 2017, the Company acquired from its subsidiary Intrakat 50% of Intradevelopment's shares. Subsequently, the Company participated in two share capital increases of Intradevelopment contributing €7.752. As a result of the second share capital increase that took place on 30.11.2017, the direct shareholding of the Company in Intradevelopment became 62,39%, while the indirect shareholding reached 92,31% (31.12.2016: 61.76%). As a result of the above transactions, Group's equity increased by €1.199 with an equal increase in non-controlling interests.

The Company also participated in a share capital increase in the subsidiary Intracom Holdings International Ltd with the amount of €370.

Information for subsidiaries with non-controlling interests

At 31 December 2018, total non-controlling interests amount to €13.375 (2017: €13.071), out of which €10.780 relates to Intrakat Group (2017: €11.694), €111 to Advanced Transport Telematics (2017: €118), €1.408 to Intrasoft International S.A. Group (2017: €1.259) and €1.076 to K-WIND.

There are no significant restrictions as regards the Group's assets or settlement of liabilities.

Summarised financial information for Intrakat Group

Below is provided the summarised financial information of the subsidiary:

Summarised statement of financial position:

	Intrakat Group	
	31/12/2018	**31/12/2017**
Assets		
Current assets	285.486	187.688
Non-current assets	67.323	140.685
Total assets	352.810	328.373
Liabilities		
Current liabilities	253.049	169.960
Non-current liabilities	31.518	94.065
Total liabilities	284.567	264.025
Equity	68.243	64.347

(All amounts in €'000)

Summarised income statement:

	Intrakat Group	
	1/1 - 31/12/2018	**1/1 - 31/12/2017**
Sales	232.143	147.168
Profit/(loss) before tax	568	(3.442)
Income tax	(3.385)	(1.035)
Profit/(loss) for the period (continuing and discontinued operations)	10.504	(7.952)
Other comprehensive income	(610)	171
Total comprehensive income	9.894	(7.781)
Total comprehensive income allocated to non-controlling interests	2.022	(1.591)

Summarised cash flow statement:

	Intrakat Group	
	1/1 - 31/12/2018	**1/1 - 31/12/2017**
Cash flows from operating activities		
Cash generated from operations	(23.025)	40.234
Interest paid	(11.421)	(12.598)
Income tax paid	(3.997)	831
Net cash generated from/(used in) operating activities	(38.444)	28.467
Net cash generated from/(used in) investing activities	(7.944)	(19.251)
Net cash generated from/(used in) financing activities	16.122	18.513
Net increase/(decrease) in cash and cash equivalents	**(30.266)**	**27.729**
Cash and cash equivalents at beginning of year	41.769	14.040
Cash and cash equivalents at end of year	**11.503**	**41.769**

(All amounts in €'000)

11. Investments in companies which are consolidated using the equity method

	Group		Company	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Balance at the beginning of the year	**10.221**	**597**	**-**	**-**
Additions / Share capital increases	589	2.156	-	-
Additions from acquisitions	-	815		
Disposals / Liquidation of joint ventures	(8)	(1)	-	
Transfer from subsidiary	256	7.108	-	
Share of loss	(355)	(521)	-	-
Effect of currency translation differences, actuarial gains/(losses) and financial assets of associates	(775)	68	-	-
Balance at the end of the year	**9.928**	**10.221**	**-**	

Year 2018

During the year, Wemetrix S.A., a subsidiary of Intrasoft, proceeded to a share capital increase through the capitalisation of liabilities to third parties. As a result, Intrasoft's interest held in Wemetrix S.A. has become 40% and it has been reclassified to associates.

In addition, the subsidiary Intrakat participated in a share capital increase in the associate company "Serres Urban Solid Waste Management Company S.A." (ΣΙΡΡΑ Α.Ε.).

Year 2017

b) Loss of control in Devenetco

At 10.02.2017, the subsidiary Devenetco Ltd, wholly owned subsidiary of INTRADEVELOPMENT, acquired 100% of BENECIELO CO LTD shares for €2 mil.

On 14.02.2017, Devenetco Ltd increased its share capital by €13.599. Intradevelopment participated in the share capital increase by €6.799 and another strategic investor participated by €6.800. After the completion of the share capital increase the interest in Devenetco held by the subsidiary Intradevelopment is 50%. As of 14.02.2017, Devenetco is incorporated in the Group's financial statements as an associate using the equity method (the carrying value on the date of the transfer was €7.108).

b) Share capital additions/increases

On 26.05.2017, the subsidiary Intrakat participated by 40% in the formation of two associates with trade names ELMEAS S.A. and SIRRA S.A. The amount of share capital paid on 31.12.2017 was €200. In addition to the above, Intrapar participated in the share capital increase of the associate KEKROPS SA with the amount of €1.896.

(All amounts in €'000)

Information about the Group's associates is presented below:

2018

Name	Country of incorporation	Assets	Liabilities	Revenue	Profit/(loss)	Interest held
ALPHA MOGILANY DEVELOPMENT SP. Z.O.O	POLAND	5.833	5.833	-	(364)	25,00%
MOBILE COMPOSTING S.A.	GREECE	472	407			24,00%
FRACASSO HOLDINGS D.O.O.	CROATIA	858	255	92	(82)	50,00%
SERRES URBAN SOLID WASTE TREATMENT UNIT OPERATING COMPANY SA (ΕΛΜΕΑΣ Α.Ε.)**	GREECE	22	9	-	(8)	45,00%
SERRES URBAN SOLID WASTE MANAGEMENT COMPANY S.A. (ΣΙΡΡΑ Α.Ε.)	GREECE	20.549	19.102	13.392	-64	45,00%
KEKROPS S.A.	GREECE	9.088	4.925	13	(119)	34,32%
DEVENETCO LTD	CYPRUS	18.461	5.117		(286.347)	50,00%
		55.285	**35.648**	**13.497**	**(286.984)**	

2017

Name	Country of incorporation	Assets	Liabilities	Revenue	Profit/(loss)	Interest held
ALPHA MOGILANY DEVELOPMENT SP. Z.O.O	POLAND	6.198	5.833	-	(309)	25,00%
MOBILE COMPOSTING S.A.	GREECE	472	407	-	(6)	24,00%
FRACASSO HOLDINGS D.O.O.	CROATIA	929	245	128	(24)	50,00%
SERRES URBAN SOLID WASTE TREATMENT UNIT OPERATING COMPANY SA (ΕΛΜΕΑΣ Α.Ε.)**	GREECE	23	1	-	(3)	40,00%
SERRES URBAN SOLID WASTE MANAGEMENT COMPANY S.A. (ΣΙΡΡΑ Α.Ε.)	GREECE	8.468	7.586	4.445	(3)	40,00%
KEKROPS S.A.	GREECE	13.381	6.960	15	(932)	34,06%
DEVENETCO LTD	CYPRUS	16.253	2.789	122	(224)	50,00%
ATHENS TECH S.A.	GREECE	77	233	350	(310)	35,41%
		45.801	**24.055**	**5.061**	**(1.810)**	

(All amounts in €'000)

12. Joint operations

The following amounts show the Group's share of assets and liabilities in joint operations that are accounted for using the proportionate consolidation method and are included in the balance sheet:

	31/12/2018	31/12/2017
Assets:		
Non-current assets	69	1.487
Current assets	13.787	12.135
	13.856	13.622
Liabilities		
Non-current liabilities	362	-
Current liabilities	14.162	12.920
	14.524	12.920
Equity	(668)	701
Income	7.938	5.775
Expenses	(9.229)	(5.810)
Profit/(loss) (after tax)	**(1.291)**	**(35)**

Information for the Group's investments in joint operations is included in note 41.

13. Financial assets at fair value through other comprehensive income

	Group	Company
	31/12/2018	31/12/2018
Balance at the beginning of the year	-	-
Adoption of IFRS 9 (note 42)	42.275	11.969
Additions	1.290	267
Disposals	(269)	(1.038)
Fair value gains/(losses)	(2.994)	(1.875)
Transfer to assets held for sale	-	(8.225)
Other	(15)	-
Balance at the end of the year	**40.288**	**1.099**

Financial assets at fair value through other comprehensive income of the Group and the Company at 31 December 2018 include the following shareholdings:

(All amounts in €'000)

	Group	Company
	31/12/2018	**31/12/2018**
Listed securities		
Alpha Grissin - Infotech SA	23	-
Attica Bank	471	-
Intralot SA	895	895
	1.389	**895**
Unlisted securities		
Goreward Ltd	27.000	-
Moreas SA	8.084	-
Moreas Motorway Service Areas SA	141	-
Karaiskaki SA	2.138	-
Hellenic Energy and Development SA	769	-
Other	767	203
	38.899	**203**
	40.288	**1.099**

These investments at 31 December 2017 are included in Available-for-sale financial assets (note 42).

From 28 December 2017, the Group, through the subsidiary Intracom Operations Ltd, holds 22,31% of Goreward Ltd Group, a group operating in China. The subsidiary Intracom Operations is a passive investor, with no representation in the company's board of directors. As a result, the investment was classified as "Available-for-sale financial assets" as at 31 December 2017 and "Financial assets at fair value through other comprehensive income" as at 1 January 2018. The investment is classified at fair value measurement level 3 (note 3.3).

Additions during the year of a total amount of €1.290 refer to equity instruments classified at level 1 of the fair value hierarchy.

At 29 June 2018, the Annual General Meeting of the Company's shareholders approved the sale to the subsidiary Intrakat of the interests held in Hellenic Energy and Development SA of 3,44% and in Moreas SA and Moreas Motorway Service Areas SA of 13,33% which are classified at fair value measurement level 3. The transaction has no effect on the Group.

The shareholdings amounting to €8.084 in Moreas SA and €141 in Moreas Motorway Service Areas SA were transferred to the Company's held-for-sale assets. The sale consideration has be determined based on their valuation which was performed by an acknowledged audit firm. No significant difference arose between the result of the valuation and the amounts presented in the Company's financial statements.

This transfer is based on the Annual General Meeting of the Company's shareholders dated 29.06.2018 and the Annual General Meeting of Intrakat shareholders dated 28.06.2018 which, among other things, for the purposes of the restructuring of the Group's holdings, approved and decided among others, as provided for by legislation on related party transactions, the sale and transfer from the Company to Intrakat and respectively the acquisition by Intrakat of the total of 80.836 common registered shares of the operator MOREAS SA, which are owned by the Company and represent 13,33% of the total paid-up share capital of the company.

(All amounts in €'000)

Following the above mentioned decisions, this approved transaction is under implementation.

Based on the relevant provisions of the concession contract for the project "Study, Financing, Construction, Operation, Maintenance and Exploitation of the Korinthos - Tripolis - Kalamata Motorway and the Lefktro - Sparti Branch", as ratified and amended, and the articles of association of the operator MOREAS SA, the stipulated by law procedure for the notification and approval of the necessary contractual texts governing the operation and financing of the project and MOREAS SA is in progress, and the relevant actions are in the final stage of their completion vis-à-vis the financing banks and the owner of the Project.

In view of this and taking into account the complexity of the transactional structure of the project's implementation, as well as the operation and financing of the project, the legal framework and the number of local and international contracting parties involved, as well as the existing data and execution of a similar equity transformation process in the past, it is estimated that the process will be completed in the first half of the current year.

The sale of the interest held in Hellenic Energy and Development SA of €769 took place in December 2018. The price was not collected at 31 December 2018 and remains in the Company's receivables.

Group and Company disposals also include an additional €269 for other shareholdings classified at level 1.

14. Deferred income tax

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

	Group		Company	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Deferred income tax assets	(6.576)	(8.109)	-	-
Deferred income tax liabilities	3.011	2.328	782	1.022
	(3.565)	**(5.782)**	**782**	**1.022**

The gross amounts are as follows:

	Group		Company	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Deferred tax assets:				
To be recovered after 12 months	(10.000)	(14.593)	(116)	(67)
To be recovered within 12 months	(1.306)	(1.128)	-	-
	(11.306)	**(15.720)**	**(116)**	**(67)**
Deferred tax liabilities				
To be settled after more than 12 months	5.860	5.874	898	1.089
To be settled within 12 months	1.882	4.066	-	-
	7.741	**9.940**	**898**	**1.089**
	(3.565)	**(5.782)**	**782**	**1.022**

(All amounts in €'000)

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

	Group		Company	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Balance at the beginning of the year	(5.782)	(7.062)	1.022	1.061
Exchange differences	13	(12)	-	-
Charge/(credit) to profit or loss (Note 34)	2.322	1.338	(242)	(37)
Charge/(credit) to other comprehensive income	(118)	(53)	2	(2)
Charge/(credit) to equity	-	(20)	-	-
Disposal of segment	-	29	-	-
Balance at the end of the year	**(3.565)**	**(5.782)**	**782**	**1.022**

The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdictions, is as follows:

Group

Deferred tax assets:

	Provisions	Tax losses	Other	Total
Balance at 1 January 2017	(12.383)	(1.516)	(1.388)	(15.286)
Exchange differences	(12)	-	-	(12)
Charge/(credit) to profit or loss	736	(1.037)	(59)	(360)
Credit to other comprehensive income	(53)	-	-	(53)
Credit to equity	(2)	-	(37)	(39)
Disposal of subsidiary	-	-	30	30
Balance at 31 December 2017	**(11.714)**	**(2.553)**	**(1.453)**	**(15.720)**
Balance at 1 January 2018	(11.714)	(2.553)	(1.453)	(15.720)
Exchange differences	7	-	-	7
Charge/(credit) to profit or loss	1.833	2.567	125	4.526
Credit to other comprehensive income	54	-	(172)	(118)
Balance at 31 December 2018	**(9.820)**	**15**	**(1.500)**	**(11.306)**

	Accelerated tax depreciation	Other	Total
Balance at 1 January 2017	4.656	3.568	8.224
Charge/(credit) to profit or loss	370	1.328	1.698
Charge to equity	-	19	19
Disposal of subsidiary	(2)	-	(2)
Balance at 31 December 2017	**5.025**	**4.914**	**9.939**
Balance at 1 January 2018	5.025	4.914	9.939
Exchange differences	-	6	6
Charge/(credit) to profit or loss	(736)	(1.468)	(2.204)
Balance at 31 December 2018	**4.288**	**3.453**	**7.741**

(All amounts in €'000)

Company

	Provisions	Total
Balance at 1 January 2017	(61)	(61)
Charge to profit or loss	(4)	(4)
Charge to other comprehensive income	(2)	(2)
Balance at 31 December 2017	**(67)**	**(67)**
Balance at 1 January 2018	(67)	(67)
Charge to profit or loss	(51)	(51)
Credit to other comprehensive income	2	2
Balance at 31 December 2018	**(116)**	**(116)**

Deferred tax liabilities

	Accelerated tax depreciation	Total
Balance at 1 January 2017	1.123	1.123
Credit to profit or loss	(34)	(34)
Balance at 31 December 2017	**1.089**	**1.089**
Balance at 1 January 2018	1.089	1.089
Credit to profit or loss	(191)	(191)
Balance at 31 December 2018	**898**	**898**

The Company has not recognised deferred tax asset on the losses of the previous and the current year. These losses amount to €116.521.

15. Long-term borrowings

In 2008, the Company participated in the issue of a subordinated bond loan of a total amount of €55.000 by Moreas SA, in which Intracom Holdings holds an interest of 13,33%. The Company participated in the issue of the bond loan up to its shareholding percentage in Moreas SA (13,33%), paying an amount of €7.332. The loan carries a floating interest rate (12m Euribor plus 4,0% margin).

The amount recorded on the balance sheet as at 31 December 2018 in the Group mainly consists of the initial capital plus capitalised interest of the period 2008-2018.

(All amounts in €'000)

At 29 June 2018, the Annual General Meeting of the Company's Shareholders approved the sale of the loan to the subsidiary Intrakat and, as a result, in the balance sheet of the Company an amount of €12.596 was transferred to assets held for sale.

16. Trade and other receivables

	Group		Company	
	31/12/2018	**31/12/2017**	**31/12/2018**	**31/12/2017**
Trade receivables	159.724	105.296	61	54
Less: Provision for impairment	(17.218)	(16.128)	-	-
Trade receivables - net	142.505	89.167	61	54
Prepayments	43.154	26.297	-	-
Receivables from related parties (note 39)	7.230	18.538	13.132	24.694
Loans to related parties (note 39)	3.733	2.034	7.960	-
Prepaid expenses	5.949	5.583	103	84
Accrued income	47.804	57.043	410	416
Construction contracts	42.589	39.874	-	-
Restricted cash	83	8.063	83	7.613
Other receivables	38.685	27.434	1.719	2.147
Less: provision for impairment of other receivables	(5.084)	(3.033)	-	-
Total	**326.649**	**271.000**	**23.468**	**35.007**
Non-current assets	20.129	20.606	39	39
Current assets	306.521	250.394	23.429	34.968
	326.649	**271.000**	**23.468**	**35.007**

There is no concentration of credit risk in relation to trade receivables, since the Group has a large number of customers. The Group has developed policies to ensure that the sales agreements take place with customers with sufficient credit quality. The credit policy of the Group is determined on a case by case basis and is set out in the agreed terms in the contract signed with each customer.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9. Based on this approach, the Group recognises the credit losses that are expected throughout the lifetime of trade receivables (expected lifetime losses).

The calculation is made on an individual basis. Expected loss rates are based on the sales payment profile and the corresponding historical credit losses. The client's inability to pay after 360 days from the invoice date is considered to be a default.

Loss in the event of default equals to the total amount receivable after deducting the insured amount. For intra-group balances, the Group does not expect any loss in the event of a default.

(All amounts in €'000)

The movement of provision for impairment of trade and other receivables is analysed as follows:

	Group	Company
Balance at 1 January 2017	19.110	-
Exchange differences	197	-
Provision for impairment (note 30)	2.053	-
Provisions used	(2.197)	
Unused amounts reversed (note 30)	(1)	-
Balance at 31 December 2017	**19.162**	-
Exchange differences	(35)	-
Provision for impairment (note 30)	2.814	-
Provisions used	(721)	
Unused amounts reversed (note 30)	(107)	-
Balance at 31 December 2018	**21.113**	-

Trade and other receivables are denominated in the following currencies:

	Group		Company	
	31/12/2018	**31/12/2017**	**31/12/2018**	**31/12/2017**
Euro (EUR)	293.082	237.301	23.389	34.929
US Dollar (USD)	27.334	28.682	-	-
Polish Zloty (PLN)	1.060	1.240	-	-
Romanian Lei (RON)	1.806	1.189	79	79
Japanese Yen (JPY)	38	-	-	-
British Pound (GBP)	767	-	-	-
Swiss Frank (CHF)	5	-	-	-
Albanian Lek	17	-	-	-
Danish Corona (DKK)	303	41	-	-
North Macedonian Dinar (MKD)	2.208	2.248	-	-
Other	29	300	-	-
	326.649	**271.000**	**23.468**	**35.007**

Contract assets

Accrued revenue mainly concerns 'Information technology solutions for the public and private sector' and 'Construction' segments. Additions in 2018 amounted to €73 million for the Group, while transfers to trade receivables amounted to €76 million.

(All amounts in €'000)

Receivables from construction contracts relate to the construction segment. Additions in 2018 for the Group amounted to €203 million whereas transfers to trade receivables amounted to €200 million.

17. Inventories

	Group		Company	
	31/12/2018	**31/12/2017**	**31/12/2018**	**31/12/2017**
Raw materials	23.695	23.447	-	-
Semi-finished goods	12.132	13.415	-	-
Finished goods	8.797	8.281	-	-
Work in progress	5.580	3.283	-	-
Merchandise	2.595	2.095	-	-
Other	1.446	250	-	-
Total	**54.244**	**50.770**	**-**	**-**
Less: Provisions for obsolete and destroyed inventories:				
Raw materials	7.326	7.143	-	-
Semi-finished goods	3.052	2.823	-	-
Finished goods	1.622	1.551	-	-
Merchandise	301	301	-	-
	12.302	**11.818**	**-**	**-**

The movement of the provision is as follows:

	Group	Company
Balance at 1 January 2017	11.970	-
Provision for impairment (note 28)	431	-
Used provisions during the year (note 28)	(583)	-
Balance at 31 December 2017	**11.818**	**-**
Provision for impairment (note 28)	615	-
Used provisions during the year (note 28)	(131)	-
Balance at 31 December 2018	**12.302**	**-**

(All amounts in €'000)

18. State financial contribution

	Group		Company	
	31/12/2018	**31/12/2017**	**31/12/2018**	**31/12/2017**
Balance at the beginning of the year	18.745	14.159	-	-
Increase of receivables	8.727	19.661	-	-
Decrease of receivables	-	(15.075)	-	-
Total:	**27.472**	**18.745**	**-**	**-**
Non-current assets	-	-	-	-
Current assets	27.472	18.745	-	-
	27.472	**18.745**	**-**	**-**
Total prepayments received	9.453	9.453	-	-

19. Financial assets at fair value through profit or loss

	Group		Company	
	31/12/2018	**31/12/2017**	**31/12/2018**	**31/12/2017**
Balance at the beginning of the year	264	167	-	-
Effect of adoption of IFRS 9 (note 42)	438	-	-	-
Adjusted balance at 1 January 2018	**703**	**-**	**-**	**-**
Additions	9	-	-	-
Disposals	(29)	-	-	-
Fair value adjustments (note 32)	182	97	-	-
Balance at the end of the year	**865**	**97**	**-**	**-**

	Group		Company	
	31/12/2018	**31/12/2017**	**31/12/2018**	**31/12/2017**
Listed securities	217	264	-	-
Unlisted securities	648	-	-	-
	865	**264**	**-**	**-**

(All amounts in €'000)

20. Cash and cash equivalents

Cash and cash equivalents include the following for the purposes of the cash flow statement:

	Group		Company	
	31/12/2018	**31/12/2017**	**31/12/2018**	**31/12/2017**
Cash at bank and in hand	70.721	140.064	26.425	61.130
Short-term bank deposits	5.160	8.162	-	-
Total	**75.881**	**148.226**	**26.425**	**61.130**

In 2018, the effective interest rate on short-term bank deposits for the Company was 0% (2017: 0%).

Cash and cash equivalents are denominated in the following currencies:

	Group		Company	
	31/12/2018	**31/12/2017**	**31/12/2018**	**31/12/2017**
Euro (EUR)	65.641	135.537	25.606	60.248
US Dollar (USD)	6.480	12.061	818	803
Romanian Lei (RON)	1.393	109	-	79
Bulgarian Leva (BGN)	43	175	-	-
Polish Zloty (PLN)	96	-	-	-
British Pound (GBP)	680	-	-	-
Danish Corona (DKK)	278	-	-	-
Jordanian Dinar (JOD)	68	-	-	-
Kenyan Shilling (KES)	6	-	-	-
Albanian Lek	2	-	-	-
North Macedonian Dinar (MKD)	1.177	-	-	-
Other	17	345	2	
	75.881	**148.226**	**26.425**	**61.130**

(All amounts in €'000)

21. Share capital

	Number of shares	Share capital	Share premium	Treasury shares	Total
Balance at 1 January 2017	133.025.996	187.567	194.204	-	381.771
Balance at 31 December 2017	**133.025.996**	**187.567**	**194.204**	**-**	**381.771**
Balance at 1 January 2018	133.025.996	187.567	194.204	-	381.771
Share capital increase by capitalisation of reserves	9.500.000	9.500	-	-	9.500
Share capital decrease by offsetting losses	-	(121.030)	-	-	(121.030)
Decrease in number of shares through reverse split	(66.500.000)	-	-	-	-
Treasury shares	(479.848)	-	-	(502)	(502)
Cancellation of shares	(25.996)	(37)	-	17	(20)
Balance at 31 December 2018	**75.520.152**	**76.000**	**194.204**	**(485)**	**269.719**

At 31 December 2017, the Company's share capital amounted to €187.567 divided into 133.025.996 shares with a nominal value of €1,41 each.

The second repeat meeting of 29 June 2018 of the Annual General Meeting of the Company's shareholders decided the following:

a) The decrease of the share capital by €121.066 as follows:

- decrease by €37 with the cancellation of 25.996 treasury shares
- decrease by €121.030 to offset prior year losses through the decrease in the nominal value of the 133.000.000 remaining shares from €1,41 to €0,50 per share

b) The increase of share nominal value from €0,50 to €1,00 with a simultaneous reverse split of the 133.000.000 shares with reverse split ratio 2-for-1. Following the reverse split, the number of shares decreased to 66.500.000

c) The increase of the share capital by capitalisation of reserves amounting to €9.500 and the issue of 9.500.000 new shares of nominal value €1,00 with free distribution to the shareholders of the company at a ratio of 1/7.

Moreover, during the year the Company proceeded with the purchase of treasury shares for €502 which at 31 December 2018 amounted to 479.848 with an acquisition cost of €485.

At 31 December 2018, the Company's share capital amounts to €76.000 divided into 76.000.000 shares with a nominal value of €1,00 each.

(All amounts in €'000)

22. Reserves

Group

	Statutory reserve	Special reserves	Tax free reserves	Extraordinary reserves	Other reserves	Remeasurements of retirement benefit obligations	Fair value reserves	Total
Balance at 1 January 2017	30.697	8.305	106.949	56.470	(29.235)	(2.855)	(3.094)	167.237
Fair value loss on available-for-sale financial assets	-	-	-	-	-	-	294	294
Transfer of available-for-sale reserve to profit or loss due to impairment	-	-	-	-	-	-	26	26
Exchange differences	-	-	-	-	-	-	(1.006)	(1.006)
Disposal of subsidiaries	-	-	(23)	-	-	-	-	(23)
Effect of change in interest held in subsidiary	3	-	-	-	512	-	-	515
Actuarial losses, net of tax	-	-	-	-	-	(140)	-	(140)
Transfers between reserves	88	-	(439)	-	-	-	-	(350)
Balance at 31 December 2017	**30.789**	**8.305**	**106.487**	**56.470**	**(28.723)**	**(2.995)**	**(3.779)**	**166.553**
Balance at 1 January 2018	30.789	8.305	106.487	56.470	(28.723)	(2.995)	(3.779)	166.553
Effect of adoption of IFRS 9 (note 42)	-	-	-	-	-	-	(8.109)	(8.109)
Fair value loss of investments at FVOCI	-	-	-	-	-	-	(3.491)	(3.491)
Exchange differences	-	-	-	-	-	-	304	304
Capitalisation	-	-	(9.003)	-	-	-	-	(9.003)
Effect of change in interest held in subsidiary	12	-	-	-	(42)	-	-	(30)
Actuarial losses, net of tax	-	-	-	-	-	(230)	-	(230)
Transfers between reserves	191	-	(439)	-	35	-	-	(213)
Balance at 31 December 2018	**30.991**	**8.305**	**97.046**	**56.470**	**(28.730)**	**(3.225)**	**(15.076)**	**145.781**

Company

	Statutory reserve	Special reserves	Tax free reserves	Extraordinary reserves	Remeasurements of retirement benefit obligations	Fair value reserves	Total
Balance at 1 January 2017	26.719	8.069	47.149	56.981	(144)	-	138.774
Fair value gain on available-for-sale financial assets	-	-	-	-	-	264	264
Actuarial losses, net of tax	-	-	-	-	(5)	-	(5)
Balance at 31 December 2017	**26.719**	**8.069**	**47.149**	**56.981**	**(149)**	**264**	**139.033**
Balance at 1 January 2018	26.719	8.069	47.149	56.981	(149)	264	139.033
Effect of adoption of IFRS 9 (note 42)	-	-	-	-	-	(1.216)	(1.216)
Fair value losses on investments at fair value through other comprehensive income	-	-	-	-	-	(1.875)	(1.875)
Capitalisation of reserves (note 10)	-	-	(9.003)	-	-	-	(9.003)
Transfer to retained earnings	-	-	-	-	-	1.658	1.658
Actuarial gains net of tax	-	-	-	-	4	-	4
Balance at 31 December 2018	**26.719**	**8.069**	**38.146**	**56.981**	**(144)**	**(1.170)**	**128.601**

(a) Statutory reserve

The statutory reserve is created under the provisions of Greek law (Law 2190/20, articles 44 and 45) according to which an amount of at least 5% of the profit (after tax) for the year must be transferred to the reserve until it reaches one third of the paid share capital. The statutory reserve can only be used with the approval of the Annual General Meeting of shareholders to offset accumulated losses and therefore cannot be used for any other purpose.

(b) Special reserves

Special reserves include amounts that were created according to decisions of the Annual General Meetings, have no specific purpose and can therefore be used for any reason following the approval of the Annual General Meeting, as well as amounts that were created under the provisions of Greek law. These reserves have been created from after-tax profits and are therefore not subject to any additional taxation in case of distribution or capitalisation.

(c) Tax free reserves

Tax-free reserves under special legal provisions

This account includes reserves created from profits which were used for the acquisition of new fixed assets employed in the production process and are therefore regarded as tax-free under special provisions of the development laws in force. In essence, this reserve is created from profit for which no tax is calculated or paid.

As described in note 21, the second repeat meeting of 29 June 2018 of the annual meeting of the Company's shareholders decided, inter alia, to increase the share capital through the capitalisation of reserves amounting to €9.500 and the issue of 9.500.000 new shares of €1,00 nominal value with free distribution to the shareholders of the company at a ratio of 1/7. Out of the total amount of €9.500, €9.003 came from tax-free reserves.

Reserves created under the provisions of tax law from tax-free income or from income taxed under special provisions

This reserve includes the portion of the net income carried forward every year that comes from tax-free profits and profits taxed under special provisions by using up the tax liability.

The aforementioned reserves can be capitalised or distributed following the approval of the Annual General Meeting, after taking into consideration the restrictions that may apply. In case of capitalisation or distribution, tax is calculated at the current tax rate.

(d) Fair value reserve

Fair value reserves mainly include foreign currency translation differences from investments denominated in foreign currency.

During the year, a reserve amounting to €26 was transferred to the Group's income statement due to the impairment of investments available for sale.

As described in note 42, due to the application of IFRS 9 on 1 January 2018, the amounts of €8.109 and € 1.216 for the Group and the Company respectively were transferred to retained earnings with a corresponding decrease in fair value reserves.

In addition to the above, in the Company an amount of €1.658 was transferred from the fair value reserves to retained earnings due to the sale of equity securities (note 13).

In 2018, the fair value reserves of the Group related to investments at fair value through other comprehensive income include a share of losses from associates amounting to €782.

(All amounts in €'000)

23. Borrowings

	Group		Company	
	31/12/2018	**31/12/2017**	**31/12/2018**	**31/12/2017**
Non-current borrowings				
Bank loans	23.412	69.033	3.200	-
Finance lease liabilities	7.429	8.445	6.765	7.112
Bond loans	69.190	29.285	-	-
Total non-current borrowings	**100.031**	**106.764**	**9.965**	**7.112**
Current borrowings				
Bank loans	93.194	123.787	12.300	43.954
Bond loans	13.559	10.798	-	-
Other loans	1.208	1.132	-	-
Finance lease liabilities	1.101	1.007	347	328
Total current borrowings	**109.063**	**136.724**	**12.647**	**44.282**
Total borrowings	**209.093**	**243.487**	**22.612**	**51.394**

During the current financial year, the subsidiary Intrasoft repaid short-term bank borrowings and simultaneously entered into a syndicated loan agreement for €46.250, with maturity until 30 January 2023.

The loans of the Group and Company are denominated in the following currencies:

	Group		Company	
	31/12/2018	**31/12/2017**	**31/12/2018**	**31/12/2017**
Euro	204.689	242.698	22.612	51.394
US dollar (USD)	3.828	725	-	-
Other	577	64	-	-
	209.093	**243.487**	**22.612**	**51.394**

The contractual undiscounted cash flows of the borrowings, excluding finance leases (including interest payments), are as follows:

	Group		Company	
	31/12/2018	**31/12/2017**	**31/12/2018**	**31/12/2017**
Not later than 1 year	108.120	134.762	12.458	43.954
Between 1 and 2 years	18.770	8.036	503	-
Between 2 and 3 years	15.396	16.107	506	-
Between 3 and 5 years	50.705	18.956	1.016	-
More than 5 years	12.442	60.026	1.736	-
	205.433	**237.887**	**16.219**	**43.954**

(All amounts in €'000)

The weighted average interest rate of the Group's short-term and long-term borrowings in 2018 was 5,55% and 4% respectively (2017: 5,85% and 5,17% respectively).

The weighted average interest rate of the Company's short-term borrowings in 2018 was 5,7% (2017: 5,27%).

Guarantees relating to the above borrowings are disclosed in note 38.

Finance leases

	Group		Company	
	31/12/2018	**31/12/2017**	**31/12/2018**	**31/12/2017**
Finance lease liabilities- minimum lease payments				
Not later than 1 year	1.469	1.429	654	654
Between 2 and 5 years	6.728	6.556	6.044	5.148
More than 5 years	1.603	3.154	1.603	3.154
Total	9.800	11.139	8.302	8.956
Less: Future finance charges on finance leases	(1.271)	(1.686)	(1.190)	(1.516)
Present value of finance lease liabilities	**8.529**	**9.452**	**7.112**	**7.440**
Present value of finance lease liabilities:				
Not later than 1 year	1.101	1.007	347	328
Between 2 and 5 years	5.875	5.448	5.211	4.115
More than 5 years	1.554	2.997	1.554	2.997
Total	**8.529**	**9.452**	**7.112**	**7.440**

(All amounts in €'000)

24. Retirement benefit obligations

	Group		Company	
	31/12/2018	**31/12/2017**	**31/12/2018**	**31/12/2017**
Balance sheet obligations for:				
Pension benefits	**8.442**	**7.691**	**612**	**379**
Income statement charge				
Pension benefits (note 29)	**799**	**805**	**240**	**12**
Charge/(credit) to equity				
Remeasurements of retirement benefit obligations	**151**	**198**	**(6)**	**7**

The amounts recognised in profit or loss are determined as follows:

	Group		Company	
	1/1 - 31/12/2018	**1/1 - 31/12/2017**	**1/1 - 31/12/2018**	**1/1 - 31/12/2017**
Current service cost	425	523	6	6
Interest cost	125	68	6	6
Past service cost	228	-	228	-
Losses on curtailment	21	214	-	-
Total, included in staff costs	**799**	**805**	**240**	**12**

Total charge is allocated as follows:

	Group		Company	
	1/1 - 31/12/2018	**1/1 - 31/12/2017**	**1/1 - 31/12/2018**	**1/1 - 31/12/2017**
Cost of goods sold	474	660	-	-
Selling costs	37	116	-	-
Administrative expenses	288	29	240	12
	799	**805**	**240**	**12**

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

	Group		Company	
	1/1 - 31/12/2018	**1/1 - 31/12/2017**	**1/1 - 31/12/2018**	**1/1 - 31/12/2017**
Balance at the beginning of the year	7.692	7.046	379	360
Total expense charged to the income statement	799	805	240	12
Contributions paid	(200)	(357)	-	-
Remeasurements of retirement benefit obligations	151	198	(6)	7
Balance at the end of the year	**8.442**	**7.692**	**612**	**379**

The principal actuarial assumptions used are as follows:

	Group		Company	
	2018	**2017**	**2018**	**2017**
Discount rate	1,60%	1.5% - 1.7%	1,60%	1,70%
Future salary increases	2,00%	1.8% - 2.3%	2,00%	2,00%

In the following table is presented the analysis of the liability's sensitivity to changes in the key assumptions.

(All amounts in €'000)

Group

	Change in the assumption		Increase/(decrease) in the present value of the liability in case of an increase in the assumption		Increase/(decrease) in the present value of the liability in case of an decrease in the assumption	
	2018	**2017**	**2018**	**2017**	**2018**	**2017**
Discount rate	0,5%	0,5%	(7.737)	(671)	8.902	415
Future salary increases	0,5%	0,5%	8.780	365	(7.840)	(635)

Company

	Change in the assumption		Increase/(decrease) in the present value of the liability in case of an increase in the assumption		Increase/(decrease) in the present value of the liability in case of a decrease in the assumption	
	2018	**2017**	**2018**	**2017**	**2018**	**2017**
Discount rate	0,5%	0,5%	(585)	(22)	641	23
Future salary increases	0,5%	0,5%	628	17	(596)	(18)

25. Grants

	Group		Company	
	31/12/2018	**31/12/2017**	**31/12/2018**	**31/12/2017**
Balance at the beginning of the year	44	49	-	-
Amortisation charge (note 31)	(5)	(5)	-	-
Balance at the end of the year	**38**	**44**	**-**	**-**
Current portion		-	-	-
Non-current portion	38	44	-	-
Total	**38**	**44**	**-**	**-**

26. Provisions

	Group		Company	
	31/12/2018	**31/12/2017**	**31/12/2018**	**31/12/2017**
Current liabilities	6.986	8.911	1.500	3.316
Non-current liabilities	2.676	1.076	-	-
Total	**9.663**	**9.987**	**1.500**	**3.316**

(All amounts in €'000)

Group

	Guarantees	Unaudited tax years	Other	Total
Balance at 1 January 2017	750	761	14.174	15.685
Additional provisions of the year	226	-	8.679	8.905
Unused amounts reversed	-	(107)	(1.766)	(1.872)
Provisions used during the year	(131)	-	(12.598)	(12.730)
Balance at 31 December 2017	**844**	**654**	**8.489**	**9.987**
Balance at 1 January 2018	844	654	8.489	9.987
IFRS 15 impact	(204)	-	-	(204)
Balance at 1 January 2018 restated	**640**	**654**	**8.489**	**9.783**
Exchange differences	-	-	1	1
Additional provisions of the year	475	2.100	6.147	8.723
Unused amounts reversed	-	-	(1.451)	(1.451)
Provisions used during the year	(254)	-	(7.138)	(7.393)
Balance at 31 December 2018	**861**	**2.754**	**6.048**	**9.663**

The amount of €6.048 in other provisions at 31 December 2018 includes €50 for the recognition of losses from loss making contracts (2017:€367), €4.200 for accrued employee benefits (2017: €3.415) and €1.575 for provisions relating to court decisions and disputes subject to judicial proceedings or arbitration (2017: €2.836). Within the year, an amount of €550 (2017: €1.650) from the initial provision for liabilities relating to the transfer of Hellas online of €2.200 was transferred to revenue due to the finalisation of these liabilities. In addition, an amount of €1.116 from other provisions for court decisions was transferred to revenue. These amounts are included in "Other gains/(losses)".

(All amounts in €'000)

Company

	Other	Total
Balance at 1 January 2017	4.966	4.966
Unused amounts reversed	(1.650)	(1.650)
Balance at 31 December 2017	**3.316**	**3.316**
Balance at 1 January 2018	3.316	3.316
Unused amounts reversed	(1.166)	(1.166)
Provisions used during the year	(650)	(650)
Balance at 31 December 2018	**1.500**	**1.500**

At 31 December 2018, an amount of €1.500 (2017: €2.666) in other provisions relates to provision for outstanding legal cases, court decisions or disputes under arbitration. Within the year, an amount of €550 (2017: €1.650) from the initial provision for liabilities relating to the transfer of Hellas online of €2.200 was transferred to revenue due to the finalisation of these liabilities. In addition, an amount of €1.116 from other provisions for court decisions was transferred to revenue. These amounts are included in "Other gains/(losses)".

27. Trade and other payables

	Group		Company	
	31/12/2018	**31/12/2017**	**31/12/2018**	**31/12/2017**
Trade payables	123.730	72.148	301	264
Prepayments from customers	97.995	119.007	-	-
Deferred income	6.755	9.825	-	-
Amounts due to related parties (note 39)	9.698	10.861	27.967	7.739
Accrued expenses	14.492	14.347	215	236
Liabilities from construction contracts	387	1.324	-	0
Social security and other taxes	19.783	15.686	574	350
Other liabilities	11.368	10.256	2.858	2.374
Total	**284.208**	**253.454**	**31.915**	**10.963**
Non-current liabilities	5.476	28.299	-	-
Current liabilities	278.731	225.155	31.915	10.963
	284.208	**253.454**	**31.915**	**10.963**

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

(All amounts in €'000)

The increase in trade payables comes mainly from the subsidiary Intrakat and is due to an increase in sales.

Trade and other payables are denominated in the following currencies:

	Group		Company	
	31/12/2018	**31/12/2017**	**31/12/2018**	**31/12/2017**
Euro (EUR)	272.941	173.984	31.915	10.963
US Dollar (USD)	10.905	25.197	-	-
Romanian Lei (RON)	117	794	-	-
Polish Zloty (PLN)	-	1.299	-	-
Bulgarian Leva (BGN)	28	306	-	-
Jordanian Dinar (JOD)	64	504	-	-
North Macedonian Dinar (MKD)	96	3.451	-	-
British Pound (GBP)	81	47.899	-	-
Other	-	19	-	-
	284.232	**253.454**	**31.915**	**10.963**

Contract liabilities

Customers advances and deferred revenue mainly relate to 'Information technology solutions for the public and private sector' and 'Construction' segments. Additions in 2018 amounted to €59 million for the Group, while transfers to revenue amounted to €84 million.

Payables from construction contracts relate to the "Construction" segment. Additions in 2018 for the Group amounted to €2 million whereas transfers to revenue amounted to €3 million.

(All amounts in €'000)

28. Expenses by nature

	Note	Group		Company	
		1/1 - 31/12/2018	1/1 - 31/12/2017	1/1 - 31/12/2018	1/1 - 31/12/2017
Employee benefits	29	111.705	102.520	1.802	1.496
Inventory cost recognised in cost of goods sold		106.203	85.464	-	-
Depreciation of PPE	6	6.811	6.159	241	234
Depreciation of investment property	9	1.097	1.034	1.221	1.225
Amortisation of intangible assets	8	1.375	890	12	10
Impairment of inventories	17	615	431	-	-
Inventory write-off reversal	17	(131)	(587)		-
Repairs and maintenance of PPE		3.133	2.174	150	154
Operating lease payments		7.818	8.239	-	-
Subcontractors' fees		140.208	119.545	-	-
Exchange (gains) / losses		(29)	375	-	-
Telecommunications cost		1.664	1.502	-	-
Transportation and travelling expenses		8.194	6.378	132	124
Third party fees		48.378	30.261	1.000	627
Advertisement		1.397	1.567	145	164
Other		17.792	13.848	2.292	1.774
Total		**456.229**	**379.800**	**6.995**	**5.808**
Split by function:					
Cost of goods sold		400.621	324.019	2.136	2.189
Selling and research costs		17.194	20.027	-	-
Administrative expenses		38.414	35.753	4.860	3.619
		456.229	**379.800**	**6.995**	**5.808**
Split of depreciation and amortisation by function:					
Cost of goods sold		6.246	4.907	135	144
Selling and research costs		497	598	-	-
Administrative expenses		2.540	2.578	1.339	1.326
		9.283	**8.083**	**1.474**	**1.469**

The fees for the provision of audit services (statutory audit and other services) amount to approximately €540 for the Group and €57 for the Company. During the year, the Company and the Group have not received any non-audit services.

29. Employee benefits

	Group		Company	
	1/1 - 31/12/2018	1/1 - 31/12/2017	1/1 - 31/12/2018	1/1 - 31/12/2017
Wages and salaries	88.588	81.702	1.320	1.253
Social security costs	19.267	17.616	218	205
Other employers' contributions and expenses	579	610	25	26
Pension costs - defined contribution plans	-	-	-	-
Pension costs - defined benefit plans (note 24)	799	805	240	12
Other post-employment benefits	2.473	1.787	-	-
Total	**111.705**	**102.520**	**1.802**	**1.496**

(All amounts in €'000)

30. Net gains/(losses) on impairment of financial assets

	Group		Company	
	1/1 - 31/12/2018	1/1 - 31/12/2017	1/1 - 31/12/2018	1/1 - 31/12/2017
Financial assets at amortised cost				
-Gain/(loss) from impairment of trade receivables	(2.814)	(2.052)	-	-
-Reversal of previous impairment	108	-	-	-
Total	**(2.706)**	**(2.052)**	**-**	**-**

31. Other operating income

	Group		Company	
	1/1 - 31/12/2018	1/1 - 31/12/2017	1/1 - 31/12/2018	1/1 - 31/12/2017
Dividend income	6	3	-	-
Rental income	1.976	1.679	2.246	2.197
Amortisation of grants received (note 25)	5	5	-	-
Other income from grants	269	43	-	-
Insurance compensations	308	416	-	-
Other	1.044	2.236	-	-
Total	**3.608**	**4.382**	**2.246**	**2.197**

The future minimum lease payments expected to be received by the Group and the Company are as follows:

(All amounts in €'000)

32. Other gains/(losses) - net

	Group		Company	
	1/1 - 31/12/2018	**1/1 - 31/12/2017**	**1/1 - 31/12/2018**	**1/1 - 31/12/2017**
Gains/(losses) from sale of PPE	(35)	(92)	(2)	-
Gains/(losses) on disposal of investment property	-	56	-	-
Fair value gains/(losses) of financial assets at fair value through profit or loss	182	97	-	-
Gains from disposal of financial assets through profit or loss	221	-	-	-
Gains/(losses) from disposal/liquidation of available-for-sale financial assets	-	(1)	-	-
Impairment of available-for-sale financial assets	-	(44)	-	-
Gains on disposal of subsidiaries	5.025	-	-	-
Gains on disposal of associates	-	1	-	-
Gains/(losses) from liquidation of joint ventures	-	148	-	-
Net foreign exchange gains/(losses)	(21)	(376)	-	-
Other	2.231	1.768	530	965
Total	**7.604**	**1.557**	**528**	**965**

«Other» in the Group and the Company include an amount of revenue of €1.295 (2017: €1.650) which relates to an unused provision recognised in prior years for other provisions for outstanding legal cases and an expense of €766 from the write-off of balances.

Profit from disposal of subsidiaries includes an amount of €4.796 relating to the disposal of Inestia and an amount of €236 relating to the disposal of B-WIND.

33. Finance expenses/(income) - net

	Group		Company	
	1/1 - 31/12/2018	**1/1 - 31/12/2017**	**1/1 - 31/12/2018**	**1/1 - 31/12/2017**
Finance expenses				
Interest and related expenses				
- Bank borrowings	9.643	9.907	929	999
- Bond loans	1.590	1.563	-	-
- Finance leases	422	382	326	344
- Letters of credit and related costs	4.783	5.299	-	-
- Net foreign exchange gains/(losses)	(603)	1.439	(38)	114
- Other	1.978	2.412	-	-
	17.814	21.003	1.218	1.457
Finance income				
Interest income	(903)	(58)	(1)	(1)
Interest income from loans	(758)	(1.128)	(763)	(548)
Other	(411)	(3.287)	(322)	(990)
	(2.072)	(4.473)	(1.086)	(1.539)
Finance expenses/(income) - net	**15.742**	**16.531**	**131**	**(82)**

«Other» in the Group refer mainly to interest income relating to sales to the public sector of €355 (2017: €2.056). In 2017, the line also includes an amount of €1.231 for late payment interest on overdue receivables. In the Company, other interest income refers exclusively to interest on due receivables.

(All amounts in €'000)

34. Income tax

	Group		Company	
	1/1 - 31/12/2018	**1/1 - 31/12/2017**	**1/1 - 31/12/2018**	**1/1 - 31/12/2017**
Current tax	(6.833)	(3.935)	-	-
Deferred tax (note 14)	(2.322)	(1.338)	242	37
Total	**(9.155)**	**(5.273)**	**242**	**37**

At 31/12/2018, the Group has recognised deferred tax assets of €6.576 (31/12/17: €8.109). The Group expects that within the next years, future taxable profits will be available against which the temporary differences that give rise to the deferred tax asset can be utilised.

Unaudited tax years

The financial years for which the Company and its subsidiaries have not been audited and, therefore, the tax liabilities for these open years have not been finalised, are presented in note 41. The cumulative provision for unaudited tax years for the Group amounts to €2.754.

The parent company and other Greek companies of the Group, which have been tax audited by the statutory auditors pursuant to the provisions of article 82 paragraph 5 of Law 2238/1994 and article 65^{A} of Law 4174/2013, obtained the Tax Compliance Certificate for financial years 2013-2018, out of which no additional tax liabilities arose in excess of the tax expense and the tax provision recognised in the annual financial statements of these years. The tax audit performed by the statutory auditors for financial year 2018, according to the provisions of Law 4174/2013, article 65^{A}, paragraph 1, as applicable, is still in progress and the tax certificate is expected to be issued after the publication of the annual financial statements of year 2018. In any case and according to circular ΠΟΛ 1006/2016 there are no exemptions from the statutory tax audit by the tax authorities for the companies for which an unmodified tax compliance report is issued for the years after 2014. As a result, tax liabilities from 2013 onwards are not final. The Group's Management does not expect that significant additional tax liabilities will arise at the end of the tax audit, in excess of these provided for and disclosed in the financial statements.

The tax on losses before tax of the Group and the Company differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits/losses of group companies as follows:

	Group		Company	
	1/1 - 31/12/2018	**1/1 - 31/12/2017**	**1/1 - 31/12/2018**	**1/1 - 31/12/2017**
Gains/(losses) before income tax	6.842	4.166	(1.868)	(9)
Tax calculated at tax rates applicable to Greece	(1.984)	(1.208)	542	3
Income not subject to tax	159	-	-	-
Expenses not deductible for tax purposes	(6.016)	(4.093)	31	(14)
Differences in tax rates	(7)	11	-	-
Effect of change in applicable tax rate	1.020	-	125	-
Utilisation of previously unrecognised tax losses	-	325	-	49
Losses for the year for which no deferred tax was calculated	-	-	(456)	-
Tax losses for the year for which no deferred tax was calculated	(438)	(276)	-	-
Other	(1.889)	(32)	-	-
Tax charge/(income)	**(9.155)**	**(5.273)**	**242**	**37**

35. Earnings/(losses) per share

Basic earnings/(losses) per share

Basic earnings per share are calculated by dividing the profit/(loss) attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Company and held as treasury shares (note 21).

Diluted earnings/(losses) per share

Diluted earnings/(losses) per share are calculated adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares, such as stock options. For the share options a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

From the calculation of the weighted average number of ordinary shares of diluted earnings, no difference has occurred in relation to basic earnings per share.

	Group		Company	
	1/1 - 31/12/2018	**1/1 - 31/12/2017**	**1/1 - 31/12/2018**	**1/1 - 31/12/2017**
Profit/(loss) attributable to equity holders of the Company	(694)	925	(1.626)	28
Weighted average number of ordinary shares in issue (thousands)	75.834	76.015	75.834	76.015
Total profit/(losses) per share	(0,01)	0,01	(0,02)	0,00

The weighted average number of shares for 2017 and 2018 has been adjusted taking into account the changes in share capital as analysed in note 21.

(All amounts in €'000)

36. Cash generated from operations

		Group		Company	
	Note	**1/1 - 31/12/2018**	**1/1 - 31/12/2017**	**1/1 - 31/12/2018**	**1/1 - 31/12/2017**
Profit/(loss) for the year		(2.312)	(1.107)	(1.626)	28
Adjustments for:					
Tax		9.155	5.273	(242)	(37)
Depreciation of PPE	6	6.811	6.159	241	234
Amortisation of intangible assets	8	1.375	890	12	10
Depreciation of investment property	9	1.097	1.034	1.221	1.225
Impairment of investment property	9	35	-	35	-
Profit/loss on disposal of PPE	32	35	92	2	-
Κέρδη από πώληση άυλων παγίων στοιχείων	32	-	-	-	-
Profit/loss on disposal of investment property	32	-	(56)	-	-
Fair value (gains)/losses of financial assets at fair value through profit or loss	32	(182)	(97)	-	-
Gain from disposal of subsidiaries	10	(5.148)	-	-	-
Impairment of loans and trade and other receivables	30, 32	3.474	2.737	767	685
Interest income		(2.072)	(4.473)	(1.086)	(1.539)
Interest expense		17.814	21.003	1.218	1.457
Amortisation of grants received	25	(5)	(5)	-	-
Share of loss from associates and joint ventures	11	355	521	-	-
Exchange (gains)/losses		161	(402)	-	-
		30.592	**31.569**	**540**	**2.063**
Changes in working capital					
(Increase)/decrease in inventories		935	2.686	-	-
(Increase)/decrease in trade and other receivables		(66.238)	20.933	(2.596)	943
Increase/(decrease) in trade and other payables		32.583	8.774	21.069	(1.777)
Increase/(decrease) in provisions		(120)	(5.698)	(1.816)	(1.650)
Increase/(decrease) in retirement benefit obligations		542	972	240	12
		(32.298)	**27.668**	**16.897**	**(2.471)**
Cash generated from operations		**(1.705)**	**59.237**	**17.437**	**(409)**

37. Commitments

Capital commitments

There are no capital commitments for property, plant and equipment for the Group at the balance sheet date (2017: €-).

(All amounts in €'000)

Operating lease commitments

	Group		Company	
	31/12/2018	**31/12/2017**	**31/12/2018**	**31/12/2017**
Up to 1 year	4.115	4.195	101	100
From 2 to 5 years	8.493	10.472	93	118
More than 5 years	9.108	15.158	-	-
	21.716	**29.825**	**193**	**218**

38. Contingencies/Outstanding legal cases

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

	Group		Company	
	31/12/2018	**31/12/2017**	**31/12/2018**	**31/12/2017**
Guarantees for advance payments	88.679	84.486	61.431	47.080
Guarantees for good performance	160.372	146.339	127.849	129.785
Guarantees for participation in contests	22.984	19.349	13.212	11.272
Other	19.855	18.029	-	-
	291.889	**268.204**	**202.493**	**188.136**

The Company has provided guarantees to banks for subsidiaries' and other companies' loans amounting to €155.748 (2017: €126.231).

Outstanding legal cases

There is an outstanding legal case against a subsidiary company filed by the Ministry of Mercantile Marine (MMM) concerning violations during the execution of a project completed and delivered to the MMM in a prior period. The penalties and rebates that were initially claimed have been reduced to €9 mil., following relevant appeals of the Company and ministerial decisions. Subsequently, according to a decision by the Administrative Court of Appeals of Piraeus, the above mentioned penalties and rebates were cancelled. On the appeal filed by the Greek State, the Council of State issued decision No 1742/2016 by which the appeal of the Greek State was upheld and the case was referred back to the Administrative Court of Appeal of Piraeus in order to be tried again. The case was discussed on 10/01/2018 and the 2nd Division of the Athens Administrative Court of Appeal issued decision No A1446/2018 which nullifies the aforementioned penalties.

Teledome S.A. has taken legal action against Intracom Holdings, Hellas online and members of the Management requesting, among others, the revocation of the earlier decisions of key management personnel (Board of Directors and General Meeting) of the Group for the cancellation of the merger of Hellas online, Unibrain and Teledome. Through this lawsuit, an amount of approximately €122 million is claimed from the Company, the former subsidiary Hellas OnLine and the members of the Management, for the loss and the moral damage that the plaintiffs allege to have suffered.

Following the issuance of decision No 1852/2017 of the Supreme Court, which irrevocably rejected the lawsuits filed by the key shareholders of Teledome SA against Intracom Holdings SA dated 31/12/2007 (ref. no 279874/12598/2007) and 18/01/2008 (ref no 38520/1835/2008), the same shareholders filed on 1 January 2018 their claim dated 1.6.2007 (ref. no 52815/1997/2018), requesting again an amount of €20,4 million. The Company did not recognise a provision as according to its legal advisor's opinion the probability of Teledome SA key shareholders' claims being rejected is clearly stronger than the probability of being upheld.

At 10.02.2015 the Company was notified of a lawsuit by which the key shareholders of Teledome S.A. claim once more the release of the above guarantees to Banks up to approximately the amount of €13 million. The hearing before the Multi-Member Court of First Instance of Athens had been set for 14.12.2017, but it was cancelled. In light of Supreme Court's decision No 1852/2017, which irrevocably rejected the above main lawsuits, the outcome of this case, which is dependent on this irrevocable outcome, is subject to the plaintiffs' decision to continue or not the judicial proceedings. In any case, it is evaluated that the probability of rejection of the above lawsuit is higher that the probability of a negative for the Company outcome, thus it has not recognised a relevant provision.

In the context of the same dispute, the Company has filed, on the one hand, a lawsuit dated 09.07.2018 (ref. number 70009/2590/2018) against the shareholders of Teledome SA, from whom it had acquired 39% of Teledom SA share capital by way of final agreements for purchase and sale and transfer of shares. Through the lawsuit the Company seeks to be compensated with €9,3 million for the loss suffered as a result of the purchase and sale transaction. On the other hand, the Company has filed a lawsuit dated 04.01.2019 (ref. no. 680/19/2019) against the key shareholders of Teledome SA, through which the Company claims a total amount of €2,8 million as compensation for expenses in the form of commissions paid for the issue and maintenance of letters of guarantee in favour of them due to the issuance in the past of decision No. 179/2014 of the Athens Single-Member Court of First Instance (Interim Relief Procedure) and the subsequent irrevocable rejection of the aforementioned actions under judgement No 1852/2017 of the Supreme Court.

The Company had been notified within the scope of the judicial assistance provided by the Greek Authorities to the Romanian Authorities that the latter are conducting a criminal investigation against CNLR state lottery for potentially committing the offence of providing gambling services without the necessary licence, which is linked to the latter's activity, as well as for complicity in the said offence. The Company in the past had entered into a contractual partnership with the aforementioned state lottery CNLR within the scope of the Supply Credit Agreement FN/2003 which was signed between COMPANIA NATIONALA LOTERIA ROMANIA ("CNLR") and the companies LOTROM S.A., INTRALOT S.A. and INTRACOM HOLDINGS S.A. – former INTRACOM S.A. According to the aforementioned notification received by the Company, both the Company itself as well as Intralot S.A. and Lotrom S.A. (a subsidiary of Intralot S.A.) are alleged accomplices of the above CNLR state lottery in the said offence. The Company has contested the above accusation through a statement of defence. The nature and the still early stage of the case allows neither the provision of further information on the matter nor the assessment of any potential negative financial impact on the Company's results.

Intracom Telecom has filed three law suits before the Athens Multimember Court of First Instance against the Company and the group companies a) Intrakat S.A. and b) Rural Connect S.A. requesting:

(a) that the above three companies be ordered and held liable to pay to Intracom Telecom in the form of penalties and unsupported compensation the total amounts of €4,5mil. as regards Intrakat, €2mil. as regards Intracom Holdings and €1mil as regards Rural Connect on the grounds of alleged breaches of specific terms of the contract dated 1.10.2014 entered into between these companies and the claimant

(All amounts in €'000)

(b) that Intrakat be ordered to pay to Intracom Telecom the total amount of €4,9mil as unpaid and outstanding construction consideration under a sub-construction agreement and

(c) that Intrakat and Rural Connect be ordered to pay to Intracom Telecom, jointly and severally, the amount of €11,4mil. approximately as outstanding (owing to contract termination) construction consideration under a sub-construction agreement as well as the amount of € 200 th. as compensation for moral damage.

The above claims were heard before the Athens Multimember Court of First Instance on 15.02.2017 which issued decision No 4338/2017, by which the discussion was adjourned until the issuance of a final arbitral decision on a relevant jointly tried dispute which was referred to arbitration.

Correspondingly, the Company, jointly with Intrakat and Rural Connect, has filed three arbitral actions in order to be held that termination of the agreement with Intracom Telecom is legitimate, that there is no obligation for compensation against Intracom Telecom for any reason, legal basis or amount whatsoever and that Intracom Telecom is obliged to pay to the claimants, as joint and several creditors, the amount of €10mil as compensation arising from penalty clauses. Developments in the course of arbitral proceedings are pending.

The Company, together with the other co-defendants, has not made any provision on this account, based on its legal advisor's opinion according to which the probability of having Intracom Telecom's claims rejected is clearly stronger than the probability of being upheld.

The Group and the Company have recognised provisions for court decisions and disputes subject to judicial proceedings or arbitration amounting to €1,5 mil.

39. Related party transactions

The following transactions were carried out with related parties:

	Group		Company	
	1/1 - 31/12/2018	**1/1 - 31/12/2017**	**1/1 - 31/12/2018**	**1/1 - 31/12/2017**
Sales of goods/services:				
To subsidiaries	-	-	2.158	2.166
To other related parties	4.236	5.061	303	317
	4.236	**5.061**	**2.461**	**2.483**
Purchases of goods/services:				
From subsidiaries	-	-	134	139
From other related parties	304	573	34	-
	304	**573**	**168**	**139**
Rental income:				
From subsidiaries	-	-	1.071	1.022
From other related parties	653	691	560	560
	653	**691**	**1.630**	**1.582**
Interest income:				
From subsidiaries	-	-	597	408
From other related parties	-	-	3	637
	-	**-**	**600**	**1.045**

(All amounts in €'000)

	Group		Company	
	1/1 - 31/12/2018	**1/1 - 31/12/2017**	**1/1 - 31/12/2018**	**1/1 - 31/12/2017**
Purchases of fixed assets:				
From subsidiaries	-	-	23	49
	-	**-**	**23**	**49**

Services from and to related parties as well as sales and purchases of goods take place based on the price lists that apply to non-related parties. Other related parties are mainly associates and companies in which the major shareholder of the Company holds an interest.

In addition to the aforementioned transactions, and as described in notes 10 and 13, during the year the Company acquired from the parent company Intrakat SA the total of shares held by Intrakat SA in four companies for the total consideration of €22.086 and respectively sold the shares owned by the Hellenic Energy and Development SA for €769.

Year-end balances arising from transactions with related parties are as follows:

	Group		Company	
	31/12/2018	**31/12/2017**	**31/12/2018**	**31/12/2017**
Receivables from related parties:				
From subsidiaries	-	-	19.551	10.804
From associates	5.999	-	-	-
From other related parties	4.964	20.572	1.541	13.890
	10.963	**20.572**	**21.092**	**24.694**
Payables to related parties:				
To subsidiaries	-	-	22.144	1.556
To other related parties	9.698	10.861	5.823	6.183
	9.698	**10.861**	**27.967**	**7.739**

Key management compensation

During 2018 a total of €571 and €3.309 was paid by the Company and the Group respectively as remuneration to Directors, key management personnel and other related parties (2017: €571 and €3.212 respectively). At 31 December 2018 and 2017 there were no receivables or payables from/to Directors with regards to the Company. At 31 December 2018 the Group has outstanding payables to Directors amounting to €2.800 (2017: €26) and receivables from Directors of €2.000 (2017: €0).

40. Post balance sheet events

On 15 January 2019, the Company, following the Memorandum of Understanding of 30.8.2018 with Mr. D. Koutras proceeded to the transfer of 20% of the share capital of the subsidiary company INTRAKAT SA for €8 million.

Moreover, in March the Company established a company in Luxembourg, with the Company being the sole shareholder and to which the subsidiaries INTRASOFT INTERNATIONAL and INTRACOM DEFENSE were contributed.

(All amounts in €'000)

41. Group structure

The companies and joint ventures included in the consolidated financial statements and the related direct percentage interests held are as follows.

31 December 2018

Name	Country of incorporation	Direct interest held %	Consolidation method	Unaudited tax years
* Intracom S.A. Defence Electronic Systems	Greece	100%	Full	2013-2018
* Intracom Holdings International Ltd	Cyprus	100%	Full	2013-2018
- Intracom Operations Ltd	Cyprus	100%	Full	2013-2018
- Intracom Group USA	USA	100%	Full	From incorporation to 2018
* Intrasoft International S.A.	Luxembourg	100%	Full	2013-2018
- Intrasoft S.A.	Greece	99%	Full	2013-2018
- Intrasoft International Belgium	Belgium	100%	Full	2012-2018
- Intrasoft International Bulgaria	Bulgaria	100%	Full	2012-2018
- Global Net Solutions Ltd (under liquidation)	Bulgaria	100%	Full	2009-2017
- Intrasoft International Scandinavia (former IT Services Denmark AS)	Denmark	100%	Full	2007-2018
- Intracom Cyprus Ltd	Cyprus	100%	Full	2013-2018
- Intrasoft Information Technology UK Ltd	United Kingdom	100%	Full	2011-2018
- Intrasoft International USA Inc	USA	100%	Full	2014-2018
- Intrasoft International ME FZC	UAE	80%	Full	-
- Intracom IT Services Middle East & Africa	Jordan	100%	Full	2010-2018
- Intrasoft International East Africa	Kenya	88%	Full	2015-2018
- Valeu Consulting	Belgium	50%	Full	2017-2018
- Wemetrix S.A.**	Greece	40%	Equity	2018
- Intrasoft International South Africa**	South Africa	100%	Full	2018
Advanced Transport Telematics S.A.	Greece	89,78% (note 1)	Full	2014-2018
* Intrapower S.A. Energy Projects	Greece	100,00%	Full	2013-2018
* Intrablue Hotel and Tourist Enterprises S.A.	Greece	50,00%	Full	2014-2018
* K-Wind Kitheronas Energy S.A. (former A. Katselis Energeiaki S.A.)	Greece	80,00%	Full	2013-2018
* Rural Connect S.A.	Greece	87,73% (note 2)	Full	2014-2018
* Intradevelopment S.A. Real Estate Development & Exploitation	Greece	100%	Full	2013-2018
- Anaptyxiaki Kykladon S.A. Real Estate Development	Greece	100%	Full	2013-2018
- Intrakyklades S.A. Real Estate Development	Greece	100%	Full	2013-2018
- Alfa Anaptyxiaki Kykladon S.A.	Greece	100%	Full	2013-2018
- Kekrops S.A.	Greece	34,32%	Equity	2013-2018
- Devenetco Ltd.	Cyprus	50%	Equity	2016-2018
- Grayalfa Holdings Ltd.	Cyprus	100%	Equity	2017-2018
- B.L. Bluepro Holdings Ltd.	Cyprus	100%	Equity	2016-2018
- Benecielo Co Ltd	Cyprus	100%	Equity	2017-2018
- Stuerza Properties Ltd	Cyprus	100%	Equity	2017-2018
- INTRA ATHENS HOTEL S.A.**	Greece	50,98%	Full	2018

Note 1: The total indirect shareholding in Advanced Transport Telematics (89,78%) results from the interests held by the subsidiaries Intrasoft International S.A. (direct shareholding 50%) and Intrakat S.A. (direct shareholding 50%).

Note 2: The total indirect shareholding in Rural Connect S.A. (87,73%) results from the interests held by the Company (direct shareholding 30%) and the subsidiaries Intrakat S.A. (direct shareholding 60%) and Intrasoft International S.A. (direct shareholding 10%).

(All amounts in €'000)

Name	Country of incorporation	Direct interest held %	Consolidation method	Unaudited tax years
* Intrakat S.A.	Greece	79,56%	Full	2013-2018
- Intracom Construct S.A.	Romania	97,17%	Full	2013-2018
- Oikos Properties SRL	Romania	100%	Full	2013-2018
- VITA P K IKAT Anaptyxiaki S.A. (Former Vita Anaptyxiaki Kykladon S.A.)	Greece	100%	Full	2016-2018
- Rominplot SRL	Romania	99,99% (note 3)	Full	2013-2018
- J/V Aktor S.A. - Lobbe Tzilalis - Eurokat S.A. (Treatment of sludge from sewage treatment plant)	Greece	50%	Proportional	2013-2018
- Intrakat International Ltd	Cyprus	100%	Full	2013-2018
- Alpha Mogilany Development SP Z.O.O.	Poland	25%	Equity	2013-2018
- Controlled Parking System of the Municipality of Thessaloniki S.A.	Greece	95%	Full	2017-2018
- "Controlled Parking System of the Municipality of Thessaloniki S.A." special-purpose entity	Greece	60%	Full	2017-2018
- Serres Urban Solid Waste Treatment Unit Operating Company S.A. (ΕΛΜΕΑΣ Α.Ε.)	Greece	45%	Equity	2017-2018
- Serres Urban Solid Waste Management Company S.A. (ΣΙΡΡΑ Α.Ε.)	Greece	45%	Equity	2017-2018
- Fracasso Hellas S.A. Design & construction of road safety systems	Greece	80%	Full	2013-2018
- Fracasso Holdings D.O.O	Croatia	50%	Equity	2015-2018
- J/V Intrakat - "J/V Archirodon Hellas S.A. - Intrakat" (General Detainment Facility of Eastern Macedonia & Thrace)	Greece	80%	Full	2013-2018
- J/V Intrakat - Proteas (Omvria Anavisou)	Greece	50%	Proportional	2014-2018
Mobile Composting S.A.	Greece	24%	Equity	2013-2018
J/V Panthessaliko Stadium	Greece	15%	Equity	2013-2018
J/V Intrakat - ATTIKAT (Egnatia Road)	Greece	50%	Proportional	2013-2018
J/V AKTOR S.A. - J&P Avax - Intrakat (J/V Moreas)	Greece	13,33%	Proportional	2013-2018
J/V Intrakat- Elter (EPA 7 - Natural gas pipeline distribution network in Attica South Re	Greece	49%	Proportional	2013-2018
J/V Anastilotiki - Getem - Eteth - Intrakat (Museum of Patras)	Greece	25%	Proportional	2013-2018
J/V Anastilotiki - Getem - Intrakat (Peiros-Parapeiros Dam)	Greece	33,30%	Proportional	2013-2018
J/V Intrakat - K.Panagiotidis & Co (Transfer line 1 project)	Greece	60%	Proportional	2013-2018
J/V Altec - Intrakat - Anastilotiki (Thessaloniki Airport)	Greece	46,90%	Proportional	2013-2018
J/V Ekter S.A. - Erteka S.A. - Themeli S.A. - Intrakat (networks of Filothei region in	Greece	24%	Proportional	2013-2018
J/V Intrakat - G.D.K. Texniki LLP "J/V for the construction of Filiatrinou Dam"	Greece	70%	Proportional	2013-2018
J/V J&P AVAX - AEGEK - Intrakat (Construction of Kiato - Rododafni railway line)	Greece	33,33%	Proportional	2013-2018
J/V AKTOR S.A. - Intrakat (Eschatias Dam)	Greece	25%	Proportional	2013-2018
J/V Intrakat - Proteas (Xiria Corinth torrent arrangement)	Greece	50%	Proportional	2014-2018
J/V AKTOR - J&P AVAX - Intrakat (Panagopoulas Tunnel)	Greece	25%	Proportional	2014-2018
J/V AKTOR S.A. - Intrakat (Tracking Payment Aposelemis Reservoir)	Greece	50%	Proportional	2014-2018
J/V ATERMON S.A. - Intrakat (Supply of materials & construction of transmission line 400 KV RIC-Lagada RIC Philipon and change of transmission line 400 RIC Thessalonikis - RIC Lagada RIC Philipon)	Greece	50%	Proportional	2014-2018
J/V JP AVAX - TERNA - AKTOR - Intrakat (Votanikos Mosque)	Greece	25%	Proportional	2016-2018
J/V INTRAKAT - ERGO S.A. (Construction of distribution network & gas pipelines in Attiki)	Greece	50%	Proportional	2014-2018
J/V INTRAKAT - EURARCO S.A. - Envitec (Construction of Serres Urban Solid Waste Treatment Unit)	Greece	45%	Proportional	2017-2018
J/V INTRAKAT -Watt S.A. (Construction of a Waste Treatment Unit in the 2nd Municipal Unit of Boeotia Prefecture)	Greece	50%	Proportional	2017-2018
J/V ATERMON - Intrakat INDEPENDENT POWER TRANSMISSION OPERATOR 2018**	Greece	50%	Proportional	2018
J/V Intrakat - Mesogeios S.A. (West Attica sanitary landfill)**	Greece	50%	Proportional	2018
- J/V Intrakat/Mesogeios-WATT (West Attica sanitary landfill)**	Greece	66,67%	Proportional	2018
J/V INTRAKAT - SIDIRODROMIKA ERGA S.A.**	Greece	50%	Proportional	2018

Note 3: The total shareholding in Rominplot SRL is 100% through the participation of another subsidiary.

(*) Direct shareholding

(**) These companies have been included in the Group for the first time in the current year but were not included in the corresponding period of 2017.

On the contrary, the companies Eurokat, A.K ENERGIAKI S.A., B- WIND POWER Energy S.A. and Inestia Hospitality S.A. had been included in the comparative period of 2017 but are not included in current period's financial statements (1/1 – 31/12/2018). Except for the above, there are no further changes in the consolidation method for the companies included in the consolidated financial statements.

(All amounts in €'000)

31 December 2017

Name	Country of incorporation	Direct interest held %	Consolidation method	Unaudited tax years
* Intracom S.A. Defence Electronic Systems	Greece	100%	Full	2013-2018
* Intracom Holdings International Ltd	Cyprus	100%	Full	2013-2018
- Intracom Operations Ltd	Cyprus	100%	Full	2013-2018
- Intracom Group USA	USA	100%	Full	From incorporation to 2018
* Intrasoft International S.A.	Luxembourg	100%	Full	2013-2018
- Intrasoft S.A.	Greece	99%	Full	2013-2018
- Intrasoft International Belgium	Belgium	100%	Full	2012-2018
- Intrasoft International Bulgaria	Bulgaria	100%	Full	2012-2018
- Global Net Solutions Ltd (under liquidation)	Bulgaria	100%	Full	2009-2017
- Intrasoft International Scandinavia (former IT Services Denmark AS)	Denmark	100%	Full	2007-2018
- Intracom Cyprus Ltd	Cyprus	100%	Full	2013-2018
- Intrasoft Information Technology UK Ltd	United Kingdom	100%	Full	2011-2018
- Intrasoft International USA Inc	USA	100%	Full	2014-2018
- Intrasoft International ME FZC	UAE	80%	Full	-
- Intracom IT Services Middle East & Africa	Jordan	100%	Full	2010-2018
- Intrasoft International East Africa	Kenya	88%	Full	2015-2018
- Valeu Consulting	Belgium	50%	Full	2017-2018
- Wemetrix S.A.**	Greece	40%	Equity	2018
- Intrasoft International South Africa**	South Africa	100%	Full	2018
Advanced Transport Telematics S.A.	Greece	89,78% (note 1)	Full	2014-2018
* Intrapower S.A. Energy Projects	Greece	100,00%	Full	2013-2018
* Intrablue Hotel and Tourist Enterprises S.A.	Greece	50,00%	Full	2014-2018
* K-Wind Kitheronas Energy S.A. (former A. Katselis Energeiaki S.A.)	Greece	80,00%	Full	2013-2018
* Rural Connect S.A.	Greece	87,73% (note 2)	Full	2014-2018
* Intradevelopment S.A. Real Estate Development & Exploitation	Greece	100%	Full	2013-2018
- Anaptyxiaki Kykladon S.A. Real Estate Development	Greece	100%	Full	2013-2018
- Intrakyklades S.A. Real Estate Development	Greece	100%	Full	2013-2018
- Alfa Anaptyxiaki Kykladon S.A.	Greece	100%	Full	2013-2018
- Kekrops S.A.	Greece	34,32%	Equity	2013-2018
- Devenetco Ltd.	Cyprus	50%	Equity	2016-2018
- Grayalfa Holdings Ltd.	Cyprus	100%	Equity	2017-2018
- B.L. Bluepro Holdings Ltd.	Cyprus	100%	Equity	2016-2018
- Benecielo Co Ltd	Cyprus	100%	Equity	2017-2018
- Stuerza Properties Ltd	Cyprus	100%	Equity	2017-2018
- INTRA ATHENS HOTEL S.A.**	Greece	50,98%	Full	2018

Note 1: The total indirect shareholding in Advanced Transport Telematics (89,78%) results from the interests held by the subsidiaries Intrasoft International S.A. (direct shareholding 50%) and Intrakat S.A. (direct shareholding 50%).

Note 2: The total indirect shareholding in Rural Connect S.A. (87,73%) results from the interests held by the Company (direct shareholding 30%) and the subsidiaries Intrakat S.A. (direct shareholding 60%) and Intrasoft International S.A. (direct shareholding 10%).

Note 3: The total indirect shareholding in Intradevelopment (92,31%) results from the interests held by the Company (direct shareholding 62,39%) and the subsidiary Intrakat (direct shareholding 37,61%).

Note 4: The control on Inestia Touristiki SA is exercised through the majority of the members of the Board of Directors.

(All amounts in €'000)

Name	Country of incorporation	Direct interest held %	Consolidation method	Unaudited tax years
* Intrakat S.A.	Greece	79,56%	Full	2013-2017
- Intracom Construct S.A.	Romania	97,17%	Full	2009-2017
- Oikos Properties SRL	Romania	100,00%	Full	2009-2017
- Rominplot SRL	Romania	99,99% (note 5)	Full	2009-2017
- J/V Aktor S.A. - Lobbe Tzilalis - Eurokat S.A. (Treatment of sludge from sewage treatment plant)	Greece	33,33%	Proportional	2011-2017
- Intrakat International Ltd	Cyprus	100,00%	Full	2008-2017
- Alpha Mogilany Development SP Z.O.O.	Poland	25,00%	Equity	2008-2017
-K-Wind Kitheronas Energy S.A. (former A. Katselis Energeiaki S.A.)	Greece	80,00%	Full	2011-2017
- A.K. Energy S.A.	Greece	60,00%	Full	2011-2017
- Controlled Parking System of the Municipality of Thessaloniki S.A.	Greece	95,00%	Full	2017
- "Controlled Parking System of the Municipality of Thessaloniki S.A." special-purpose entity**	Greece	60,00%	Full	2017
- Serres Urban Solid Waste Treatment Unit Operating Company S.A. (ΕΛΜΕΑΣ Α.Ε.)**	Greece	40,00%	Equity	2017
- Serres Urban Solid Waste Management Company S.A. (ΣΙΡΡΑ Α.Ε.)**	Greece	40,00%	Equity	2017
- Intrablue Hotel and Tourist Enterprises	Greece	68,81%	Full	2014-2017
- Fracasso Hellas S.A. Design & construction of road safety systems	Greece	80,00%	Full	2016-2017
- Fracasso Holdings D.O.O	Croatia	40,00%	Equity	2015-2017
- J/V Intrakat - "J/V Archirodon Hellas S.A. - Prisma Domi S.A." (General Detainment Facility of Eastern Macedonia & Thrace)	Greece	80,00%	Full	2011-2017
- J/V Intrakat - Proteas (Omvria Anavisou)	Greece	50,00%	Proportional	2014-2017
- J/V Intrakat - Proteas (Project for the completion of Xiria stream)	Greece	50,00%	Proportional	2014-2017
- Intrapower S.A. Energy Projects	Greece	100,00%	Full	2016-2017
- B-WIND Power S.A.	Greece	30,00% (note 6)	Full	2015-2017
Mobile Composting S.A.	Greece	24,00%	Equity	2012-2017
J/V Mohlos - Intrakat (Olympic Athletic Centre of Athens Swimming pool)	Greece	50,00%	Equity	2011-2017
J/V Panthessaliko Stadium	Greece	15,00%	Equity	2011-2017
J/V Intrakat - ATTIKAT (Egnatia Road)	Greece	50,00%	Proportional	2011-2017
J/V Intrakat - Elter (School natural gas installation project)	Greece	30,00%	Proportional	2011-2017
J/V Intrakat - Elter (Expansion of Natural Gas Distribution Networks in Xanthi-Serres-Komotini)	Greece	50,00%	Proportional	2011-2017
J/V AKTOR S.A. - J&P Avax - Intrakat (J/V Moreas)	Greece	13,33%	Proportional	2011-2017
J/V Intrakat- Elter (EPA 7 - Natural gas pipeline distribution network in Attica South Re	Greece	49,00%	Proportional	2011-2017
J/V Anastilotiki - Getem - Eteth - Intrakat (Museum of Patras)	Greece	25,00%	Proportional	2011-2017
J/V Anastilotiki - Getem - Intrakat (Peiros-Parapeiros Dam)	Greece	33,30%	Proportional	2011-2017
J/V Intrakat - K.Panagiotidis & Co (Transfer line 1 project)	Greece	60,00%	Proportional	2011-2017
J/V Altec - Intrakat - Anastilotiki (Thessaloniki Airport)	Greece	46,90%	Proportional	2011-2017
J/V Ekter S.A. - Erteka S.A. - Themeli S.A. - Intrakat (networks of Filothei region in	Greece	24,00%	Proportional	2011-2017
J/V Intrakat - G.D.K. Texniki LLP "J/V for the construction of Filiatrinou Dam"	Greece	70,00%	Proportional	2011-2017
J/V J&P AVAX - AEGEK - Intrakat (Construction of Kiato - Rododafni railway line)	Greece	33,33%	Proportional	2012-2017
J/V AKTOR S.A. - Porto Karras S.A. - Intrakat (Eschatias Dam)	Greece	25,00%	Proportional	2013-2017
J/V Intrakat - Proteas (Xiria Corinth torrent arrangement)	Greece	50,00%	Proportional	2012-2017
J/V AKTOR - J&P AVAX - Intrakat (Panagopoulas Tunnel)	Greece	25,00%	Proportional	2014-2017
J/V AKTOR S.A. - INTRAKAT (Tracking Payment Aposelemis Reservoir)	Greece	50,00%	Proportional	2014-2017
J/V ATERMON S.A. - INTPAKAT (Supply of materials & construction of transmission line 400 KV RIC-Lagada RIC Philipon and change of transmission line 400 RIC Thessalonikis - RIC Lagada RIC Philipon)	Greece	50,00%	Proportional	2014-2017
J/V TERNA - AKTOR (Votanikos Mosque)	Greece	25,00%	Proportional	2016-2017
J/V INTRAKAT - ERGO S.A. (Construction of distribution network & gas pipelines in Attiki)	Greece	50,00%	Proportional	2014-2017
J/V INTRAKAT - Archirodon-Envitec (Construction of Serres Urban Solid Waste Treatment Unit)**	Greece	40,00%	Proportional	2017
J/V INTRAKAT -Watt S.A. (Construction of a Waste Treatment Unit in the 2nd Municipal Unit of Boeotia Prefecture)**	Greece	50,00%	Proportional	2017

Note 5: The total shareholding in Rominplot SRL is 100% through the participation of another subsidiary.

Note 6: The total shareholding in BWIND Power is 100% through the shareholding of the subsidiary Intrapower which is 70%.

(*) Direct shareholding

(**) These companies have been included in the Group for the first time in the current year but were not included in the corresponding period of 2016.

42. Adoption of new IFRS

The Group applies the new standards IFRS 9 and IFRS 15 from 1 January 2018. The adoption of the two standards was performed without the restatement of comparatives, as a result the cumulative effect of the retrospective application of the new accounting policies is presented in Equity as of 1 January 2018.

The new accounting policies applied for the first time in 2018 are described in notes 2.11 and 2.27. The impact of adopting these new policies as well as a brief description of previous accounting policies are presented below:

IFRS 9 "Financial Instruments"

Effect of reclassification

Until 31 December 2017, the Group classified its financial assets in the following categories:

- Loans and receivables
- Financial assets at fair value through profit or loss
- Held-to-maturity investments
- Available-for-sale financial assets

a) Available-for-sale financial assets

Available-for-sale financial assets were subsequently measured at fair value. Unrealised gains or losses arising from changes in the fair value were recognised in other comprehensive income. When investments classified as available for sale were sold or impaired, the accumulated fair value adjustments were transferred to profit or loss.

At 31 December 2017 the Group's available-for-sale financial assets were exclusively related to equity instruments. The amount of €42.275 was classified in financial assets at fair value through other comprehensive income and the amount of €438 was classified in financial assets at fair value through profit or loss. The classification had no impact on the Group's and the Company's Equity. Due to the application of the standard the amounts of €8.109 and €1.216 for the Group and the Company respectively were transferred to retained earnings with a corresponding reduction of other reserves.

b) Financial assets at fair value through profit or loss

At 31 December 2017, financial assets at fair value through profit or loss mainly concerned investments in equity instruments, which the Group elected on 1 January 2018 to classify at fair value through profit or loss. There was no impact on the specific class of financial assets from the application of IFRS 9.

c) Loans and receivables

Loans and receivables were carried at amortised cost using the effective interest rate method.

At 31 December 2017, the Group's and the Company's "Loans and receivables" mainly consisted of trade receivables and loans receivable. These items, which are included in "Long-term borrowings" and "Trade and other receivables" line items of the balance sheet at 31 December 2017 and 31 December 2018 were classified as financial assets at amortised cost. As a result, the reclassification had no impact on the Group's and the Company's equity.

Impact of new accounting policy for impairment

Until 31 December 2017 the Group assessed at the end of each reporting period whether there was objective evidence that a financial asset or group of financial assets was impaired. A financial asset or a group of financial assets was impaired and impairment losses were incurred only if there was objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) had an impact on the estimated future cash flows of the financial asset or group of financial assets that could be reliably estimated.

Due to the application of IFRS 9, the Group had to revisit the methodology for determining the impairment of total receivables as, according to IFRS 9, the Group now determines the impairment loss against expected credit losses. The overall impact from this change on equity at 1 January 2018 was a decrease of €1.399, out of which €1.073 was allocated to the Company's shareholders and €326 was allocated to non-controlling interests.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

IFRS 15 "Revenue from contracts with customers"

The sectors in which the Group operates are presented in note 5.

Until 31 December 2017 revenue from sales of goods was recognised when the Group had delivered the products to the customer, the customer had accepted the products and the collectibility of the related receivables was reasonably assured. Revenue from sales of services were recognised in the accounting period in which the services were rendered, by reference to the stage of completion of the specific service. Revenue from construction contracts were recognised according to IAS 11 based on the percentage of completion method, measured by reference to the percentage of labour hours incurred to date to estimated total labour hours for each contract.

The adoption of IFRS 15 had an impact only on the 'Information technology solutions for the public and private sector' segment.

The Group examined the contracts in the specific segment and found that IFRS 15 mainly affects two revenue categories, as follows:

a) cases whereby the customer can buy separately a product guarantee for a period of time at the point of sale or cases whereby guarantee may be explicitly mentioned in the contract. The provision by the Group of maintenance services, such as error correction in software licences that may be considered as guarantee, was also examined as a possibility, and

b) cases whereby the Group sells maintenance services accompanied by software licence sales.

Revenue related to guarantees which provide a service to the client in addition to the assurance that the delivered good is as determined in the contract (service type guarantee) is recognised over the period covered by the guarantee. Revenue relating to assurance type guarantees do not provide an additional good or service to the customer (i.e. they do not constitute separate performance obligations). These guarantees will continue to be accounted for according to IAS 37.

As regards revenue relating to the provision of maintenance services which are accompanied by sales of software licences, where the software licence is directly connected to the provision of maintenance services, the relevant revenue was recognised over the years covered by these services.

From the above exercise, an impact on the Group's equity was estimated amounting to €626, while trade and other receivables, trade and other payables and provisions were also affected by €2.600,

€3.431 and -€204 respectively.

IFRS 15 did not have any impact on the Company's financial statements.

The following tables present the impact of the two standards on the Balance sheet and the Statement of comprehensive income at 1 January 2018 and 31 December 2018.

(All amounts in €'000)

Balance sheet at 1/1/2018

Group

	Group			
ASSETS	**accordance with IAS 39 and IAS 18**	**IFRS 9 impact**	**IFRS 15 impact**	**accordance with IFRS 9 and IFRS 15**
Non-current assets				
Property, plant and equipment	122.586	-	-	122.586
Goodwill	37.565	-	-	37.565
Intangible assets	10.336	-	-	10.336
Investment property	62.513	-	-	62.513
Investments in associates	10.221	-	-	10.221
Financial assets available for sale	42.714	(42.714)	-	-
Financial assets at fair value through other comprehensive income	-	42.275	-	42.275
Deferred income tax assets	8.109	-	-	8.109
Long-term borrowings	13.024	-	-	13.024
Trade and other receivables	20.606	(276)	-	20.330
	327.674	**(714)**	**-**	**326.960**
Current assets				
Inventories	38.952	-	-	38.952
Trade and other receivables	250.394	(1.123)	2.600	251.871
State financial contribution (IFRIC 12)	18.745	-	-	18.745
Financial assets at fair value through profit or loss	264	438	-	703
Current income tax assets	5.298	-	-	5.298
Cash and cash equivalents	148.226	-	-	148.226
	461.879	**(685)**	**2.600**	**463.794**
Total assets	**789.552**	**(1.399)**	**2.600**	**790.753**
EQUITY				
Capital and reserves attributable to the Company's equity holders				
Share capital	187.567	-	-	187.567
Share premium	194.204	-	-	194.204
Other reserves	166.554	(8.112)	-	158.442
Retained earnings	(291.100)	7.036	(626)	(284.690)
	257.225	(1.075)	(626)	255.523
Non-controlling interests	13.070	(324)	-	12.747
Total equity	**270.295**	**(1.399)**	**(626)**	**268.270**
LIABILITIES				
Non-current liabilities				
Borrowings	106.764	-	-	106.764
Deferred income tax liabilities	2.328	-	-	2.328
Retirement benefit obligations	7.691	-	-	7.691
	146.202	**-**	**-**	**146.202**
Current liabilities				
Trade and other payables	225.155	-	3.431	228.586
Borrowings	136.724	-	-	136.724
Provisions	8.911	-	(204)	8.707
	373.056	**-**	**3.227**	**376.283**
Total liabilities	**519.257**	**-**	**3.227**	**522.485**
Total equity and liabilities	**789.552**	**(1.399)**	**2.600**	**790.753**

For the purposes of the application of IFRS 9 and IFRS 15, the Group now presents amounts due from customers and amounts due to customers from construction contracts in lines "Trade and other receivables" and "Trade and other payables" respectively.

(All amounts in €'000)

Company

	Company			
ASSETS	**1/1/2018 in accordance with IAS 39 and IAS 18**	**IFRS 9 impact**	**IFRS 15 impact**	**1/1/2018 in accordance with IFRS 9 and IFRS 15**
Non-current assets				
Property, plant and equipment	8.384	-	-	8.384
Intangible assets	31	-	-	31
Investment property	51.994	-	-	51.994
Financial assets available for sale	11.969	(11.969)	-	-
Financial assets at fair value through other comprehensive income	-	11.969	-	11.969
Long-term borrowings	13.024	-	-	13.024
Trade and other receivables	39	-	-	39
	239.599	**-**	**-**	**239.599**
Current assets				
Trade and other receivables	34.968	-	-	34.968
Cash and cash equivalents	61.130	-	-	61.130
	96.098	**-**	**-**	**96.098**
Total assets	**335.697**	**-**	**-**	**335.697**
EQUITY				
Capital and reserves attributable to the Company's equity holders				
Share capital	187.567	-	-	187.567
Share premium	194.204	-	-	194.204
Other reserves	139.033	(1.216)	-	137.817
Retained earnings	(252.181)	1.216	-	(250.965)
Total equity	**268.623**	**-**	**-**	**268.623**
LIABILITIES				
Non-current liabilities				
Borrowings	7.112	-	-	7.112
Deferred income tax liabilities	1.022	-	-	1.022
Retirement benefit obligations	379	-	-	379
-	**8.513**	**-**	**-**	**8.512**
Current liabilities				
Trade and other payables	10.963	-	-	10.963
Borrowings	44.282	-	-	44.282
Provisions	3.316	-	-	3.316
	58.561	**-**	**-**	**58.561**
Total liabilities	**67.074**	**-**	**-**	**67.074**
Total equity and liabilities	**335.697**	**-**	**-**	**335.697**

(All amounts in €’000)

Balance sheet at 31/12/2018

Group

ASSETS	31/12/2018 in accordance with IAS 18	IFRS 15 impact	31/12/2018 in accordance with IFRS 15
Non-current assets			
Property, plant and equipment	117.994	-	117.994
Goodwill	37.449	-	37.449
Intangible assets	13.185	-	13.185
Investment property	58.913	-	58.913
Investments in associates	9.928	-	9.928
Financial assets at fair value through other comprehensive income	40.288	-	40.288
Deferred income tax assets	6.576	-	6.576
Long-term borrowings	12.666	-	12.666
Trade and other receivables	20.129	-	20.129
	317.128	**-**	**317.128**
Current assets			
Inventories	41.943	-	41.943
Trade and other receivables	309.875	(3.354)	306.521
State financial contribution (IFRIC 12)	27.472	-	27.472
Financial assets at fair value through profit or loss	865	-	865
Current income tax assets	9.510	-	9.510
Cash and cash equivalents	75.881	-	75.881
	465.545	**(3.354)**	**462.191**
Total assets	**782.672**	**(3.354)**	**779.318**
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital	76.000	-	76.000
Share premium	194.204	-	194.204
Treasury shares	(485)	-	(485)
Other reserves	145.781	-	145.781
Retained earnings	(165.497)	(268)	(165.765)
	250.002	(268)	249.734
Non-controlling interests	13.376	-	13.376
Total equity	**263.378**	**(268)**	**263.110**
LIABILITIES			
Non-current liabilities			
Borrowings	100.031	-	100.031
Deferred income tax liabilities	3.011	-	3.011
Retirement benefit obligations	8.442	-	8.442
Grants	38	-	38
Provisions	2.676	-	2.676
Trade and other payables	5.476	-	5.476
	119.674	**-**	**119.674**
Current liabilities			
Trade and other payables	281.818	(3.086)	278.731
Current income tax liabilities	1.754	-	1.754
Borrowings	109.063	-	109.063
Provisions	6.986	-	6.986
	399.620	**(3.086)**	**396.534**
Total liabilities	**519.295**	**(3.086)**	**516.208**
Total equity and liabilities	**782.672**	**(3.354)**	**779.318**

(All amounts in €'000)

Statement of comprehensive income 1.1 - 31.12.2018

	1/1 - 31/12/2018 in accordance with IAS 18	IFRS 15 impact	1/1 - 31/12/2018 in accordance with IFRS 15
Sales	484.042	(13.345)	470.697
Cost of sales	(413.698)	13.077	(400.621)
Gross profit	**70.344**	**(268)**	**70.077**
Selling and research costs	(17.194)	-	(17.194)
Administrative expenses	(38.414)	-	(38.414)
Net gains/(losses) on impairment of financial assets	(2.706)	-	(2.706)
Other operating income	3.608	-	3.608
Other gains/(losses) - net	7.604	-	7.604
Impairment losses from tangible and intangible assets and investm	(35)	-	(35)
Operating profit/(loss)	**23.207**	**(268)**	**22.940**
Finance expenses	(17.814)	-	(17.814)
Finance income	2.072	-	2.072
Finance income/(expenses) - net	**(15.742)**	**-**	**(15.742)**
Share of loss of associates	(355)	-	(355)
Profit/(loss) before tax	**7.110**	**(268)**	**6.842**
Income tax	(9.155)	-	(9.155)
Net profit/(loss) for the year	**(2.045)**	**(268)**	**(2.312)**
Other comprehensive income:			
Items that will be reclassified to profit or loss			
Currency translation differences, net of tax	289	-	289
Items that will not be reclassified to profit or loss			
Changes in fair value of investments at FVOCI	(3.599)	-	(3.599)
Actuarial gains/(losses), net of tax	(216)	-	(216)
Other comprehensive income for the year, net of tax	(3.526)	-	(3.526)
Total comprehensive income for the year	**(5.571)**	**(268)**	**(5.838)**