



**INTRASOFT INTERNATIONAL S.A.**

**CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020  
IN ACCORDANCE WITH INTERNATIONAL  
FINANCIAL REPORTING STANDARDS (I.F.R.S.)  
AS ENDORSED BY THE EUROPEAN UNION**



**INTRASOFT INTERNATIONAL**  
**Consolidated Financial Statements in accordance with IFRS**  
**31 December 2020**

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The attached annual financial statements have been approved for issue by the Board of Directors on 25th June 2021.

**THE CHIEF EXECUTIVE  
OFFICER**

**THE CHIEF FINANCIAL  
OFFICER**

**THE GROUP CHIEF  
ACCOUNTANT**

**A.N. MANOS**  
ID No. AB340384/2.10.2006

**E.V. TERROVITIS**  
ID No. AE 012763/05.02.2007

**N.V. TZANOGLOU**  
ID No AE 578851/20.06.2007

## **A) Directors' Statements**

The members of the Board of Directors, of INTRASOFT INTERNATIONAL SA

1. Konstantinos S. Kokkalis, Chairman
2. Klonis C. Dimitrios, Vice Chairman
3. Alexandros-Stergios Manos, Chief Executive Officer
4. Kontellis I.Christos, Member
5. Nikolettopoulos Konstantinos, Member
6. Manos George, Member
7. Pomonis Spyridon, Member
8. Terrovitis Emmanouil, Member
9. Ntokoros Spyridon, Member

In our above-mentioned capacity, we declare that:

As far as we know:

- a. the consolidated annual financial statements for the year 01/01/2020 to 31/12/2020 which were drawn up in accordance with applicable accounting standards, reflect in a true manner the assets and liabilities, equity and results of "**INTRASOFT INTERNATIONAL**" Group and
- b. the annual report of the Board of Directors is a true representation of the progress, the performance and the financial position of "**INTRASOFT INTERNATIONAL**" Group, including a description of the major risks and uncertainties they confront.

**THE CHIEF EXECUTIVE OFFICER  
OF THE BOARD OF DIRECTORS**

**A.N. MANOS**

ID No. AB340384/2.10.2006

## **B) Message of the CEO**

As I look back, 2020 has definitely been a year out of the ordinary, a year we will all remember for the rest of our lives; an extremely challenging time period when the COVID-19 pandemic dramatically altered our lives on a personal, professional and social level. At the same time, it has been a year during which all our business units performed incredibly well. It was also during 2020 that our corporate culture and our values proved to be our greatest strength and our guide to further growth.

We have managed to turn 2020 into our most successful year financially, growing even more in terms of revenue, profit and new business. We broke all our records, exceeding 500 million euros in new business secured, alongside achieving our highest revenue figures ever, EUR 197,3 million.

Before I move on to last year's accomplishments, I would like to once again point out #IntrasoftPeople's unique role. From the very first days of the pandemic, our company's resilience and response has been outstanding. Our people's safety and well-being have become our top priorities. In a year like no other, where remote working became the new normal, we managed to stay close to each other, support each other and ensure business continuity and high quality of service to our customers. We may have been apart, but we were closer than ever. I have been inspired by the ingenuity and creativity of #Intrasoftpeople, who continued to successfully produce state-of-the-art deliverables and exceed our customers' expectations, despite the unprecedented circumstances caused by the Covid-19 pandemic.

Our **EU Institutions business** continued to grow, both in terms of retaining existing and acquiring new customers. We have managed to further expand in new business sectors and book major deals such as the End-User Support Services (EUSS) for the Digital Workplace (Lot1) and for Information Systems (Lot2), the European External Action Service and the UCMS18. We have been awarded major new contracts with the European Union Intellectual Property Office, the European Commission's Directorate-General for Informatics, the European Investment Bank and have successfully completed very demanding projects for the Directorate-General for Taxation and Customs Union. Moreover, we celebrated 22 new awards in innovative areas including Artificial Intelligence and Machine Learning through our RID department and with SCOPE we have increased our footprint in our existing customers, enhancing our reputation in the digital communications market.

We have similarly experienced significant growth in our **Enterprise Business Unit**. We were awarded the biggest IT transformation project in Greece with SAP Technology in the energy distribution sector and we further expanded our high-quality solutions portfolio with emerging technologies like smart queueing, digital onboarding, applications modernization, risk and value assessment. In Cyprus, we have reaffirmed our position as a key IT vendor by implementing new systems in the Telecommunications and Banking sectors. We pride ourselves in our presence as a technology partner in East Africa, where we have helped clients like Kenya Police SACCO reach major transformation milestones through our solution portfolio. It was in this market that we launched in 2020 our latest banking products PROFITS® for SACCO and iPROFITS®, amplifying our leading position.

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In the **Public sector**, we have successfully continued our twofold strategy, of both retaining our position as the biggest IT system integrator in Greece, and expanding our footprint at a global level, through our cutting-edge product portfolio. For yet another year, investing in our products has led to high-quality deliverables and new partnerships with major clients. In Greece, we have managed to retain and extend our current contracts in the fields of Social Security, in Health Insurance, Hospitals, Customs, Justice and Taxation. Moreover, we have been awarded a new contract with the Danish Ministry of Taxation, regarding the implementation of our inhouse e-customs solution, INTRASOFT ERMIS.

Looking into the future, 2021 will hold its own challenges. New technologies will emerge in the post-Covid19 era and we at INTRASOFT, as a global IT leader, will count on our intimate knowledge of our customers' evolving needs, along with our agility to use technology in favor of the societies in which we operate in.

We are steadfast in our mission to have a positive impact on communities around the world, empower the future generations with knowledge and commit to a more sustainable future.

**Alexandros-Stergios Manos**  
**Chief Executive Officer**

## **C) Board of Directors' Report**

ANNUAL REPORT OF THE BOARD OF DIRECTORS OF INTRASOFT INTERNATIONAL S.A. TO THE ANNUAL GENERAL ASSEMBLY OF THE SHAREHOLDERS FOR THE YEAR 2020 (1 JANUARY – 31 DECEMBER 2020)

Dear Shareholders,

We have the pleasure to inform you about our Group's activities over the past financial year and to submit the Consolidated accounts as closed on 31 December 2020 for your approval.

### **General information**

With headquarters in Luxembourg, INTRASOFT International operates through its operational branches in Greece, Romania and Jordan, subsidiaries in Belgium, Bulgaria, Cyprus, Denmark, Greece, Jordan, UAE, United Kingdom (UK), United States of America (USA), Kenya, South Africa, Zambia and offices in Moldova, Morocco, Palestine, Philippines, Saudi Arabia and Yemen.

### **Financial Performance**

The year 2020 was an important milestone for the Group. Having enhanced its organizational and financial structures, pursued the implementation of a targeted investment plan and maintained a strong extrovert orientation, the Group achieved positive economic performance for yet another year. It built the foundation for further robust growth in the coming year.

We are optimistic about the growing impact of our strategic initiatives towards stronger financial performance of our Group and enhancement of our leadership position as a reliable partner in our industry across all areas of activity.

For the fiscal year 2020 INTRASOFT International annual revenues stood at EUR 197,3 million against EUR 178,1 million in 2019 in a very difficult financial environment, reflecting a 10,78% increase and EUR 19,2 million.

Cost of sales has been increased in comparison to 2019, amounting EUR 164,51 million (83,38% of revenue) against EUR 148,47 million (83,36% of revenue) in 2019 and combined with the strong revenue increased the gross profit in absolute value revenue, amounting EUR 32,8 million (16,62% of revenue) against EUR 29,6 million in 2019 (16,64% of revenue).

Marketing & selling costs stood at EUR 9,00 million, both in 2020 and in 2019. Administrative expenses decreased to EUR 11,86 million in 2020 against EUR 12,69 million in 2019.

Other gains/(losses) were increased by EUR 628,97 thousand in comparison to 2019 amounting to EUR 779,57 thousand losses in 2020 against EUR 150,60 thousand losses in 2019.

Group's EBITDA amounted to € 18,0 million, compared to € 14,5 million in 2019.

Earnings before interest and tax (EBIT) ended up positive at EUR 10,57 million against 7,99 million in 2019.

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Earnings before tax (EBT) ended at EUR 5,2 million in 2020 against EUR 3,2 million in 2019.

Net Equity has ended positive stood at EUR 17,9 million in 2020 against EUR 16,0 million in 2019.

Total assets on 31.12.2020 reached at EUR 196,43 million compared to EUR 165,19 million on 31.12.2019.

Total Borrowings in 2020 stood at EUR 62,9 million and at EUR 57,4 million in 2019.

(€mil.)	2020	2019	Diff.
<b>Financial structure ratios</b>			
Net Debt	31,9	42,8	-25,5%
Net debt / equity	1,8	2,7	-33,3%

On 31.12.2020 and following a year of great success in terms of bookings, projects backlog amount EUR 702 million, a record-breaking figure.

INTRASOFT International added yet another year of growth to its 23-year history by gaining new customers and successfully retaining key contracts, which were re-tendered during the year.

The Key financial ratios which reflect the Group's financial position and operating profitability are presented in table below:

(€mil.)	2020	2019	Diff.
<b>Profitability ratios</b>			
Revenue	197,30	178,12	10,78%
EBITDA	18,02	14,47	24,53%
EBIT	10,57	7,99	32,29%
<b>Financial structure ratios</b>			
Current assets/Total assets	0,79	0,76	3,95%
Current assets/Short-term liabilities	1,25	1,31	-4,58%



## **Future Outlook**

It comes as no surprise that future plans had to be redrawn and priorities redefined for many companies across different sectors, in light of the events of 2020. INTRASOFT however, managed to largely stay true to its key business objectives, and as 2020 progressed and gave way to 2021, we embarked upon further innovative strategies targeting our role in Europe's recovery fund as well as our largely expanded role in the EU Institutions market.

Over the next few years, we are planning to expand in our home territories by increasing market share and also diversifying further towards a technology company rather than an IT house, or just a software development company. Our portfolio of services now ranges from product development, to DevOps, to digital communications, among others, setting us apart from competition and rendering us almost unique in our market segment.

With the successful introduction of Agile@Scale as our new operational model in 2019, we look to the future when our activities will fully reflect our Agile mindset across Business Units. In the short-term, our teams are focusing on an ongoing transformation process, which now encompasses every delivery group across different countries and areas of activity. This has been a journey of many firsts and the results produced continue to impress me personally, as well as our clients and partners.

The growth of our Enterprise Solutions business, targeting private sector clients, across Europe, Middle East and East Africa will continue to figure high on our priority list and in recent years our strategy has paid off. Our EU business has been boosted by new major wins in this sector and we expect to further invest in this area over the next few years, while continuously improving and diversifying our technology offering to the EU market.

The pace of technological change is increasing, and we are standing at the forefront of new developments, researching into new approaches towards Data Monetization, breakthrough Fintech Technologies based on Open-data and of course Blockchain, which is now arriving at an exciting level of maturity. Translating these 'trends' into viable solutions, and later on possibly products, for our clients is an ongoing process and in the future we will be intensifying these efforts.

As we emerge from the shadow cast by COVID-19 pandemic and its global consequences, it is evident that the changes in the way we work and interact are far from temporary. The paradigm shift towards a digital workplace we are witnessing over the last months will continue to form part of our strategy as we consider the future of work. We recognized this early on and we will soon be adapting new Remote Working policies, reflecting the new perspectives of #Intrasoftpeople and as well as new industry norms. The foundations of our corporate culture have stood the pandemic test and the Group Management is happy to say that we are launching forward with renewed impetus and appetite for success.

## **Risks and Uncertainties**

### **1.1 Financial risk factors**

INTRASOFT INTERNATIONAL S.A., being a Luxembourg 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 program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

The financial liabilities of the Group include short-term bank loans, long-term bank loans and finance lease agreements, through which the Group finances its working capital and capital expenditure needs. Moreover, the Group manages financial assets, mainly short-term bank deposits arising from operating activities.

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

#### **(a) Market risk**

##### **Cash flow risk**

Interest rate price risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates relative to the interest rate that applies to the financial instrument. Interest rate cash flow risk is the risk that the interest cost will fluctuate over time. The Group assesses that during the current year, interest rate risk is limited since interest rates remained stable or slightly decreased in the short-term. Also, the mergers that took place in the Greek banking system provided opportunities to decrease the average interest rate.

##### **Foreign exchange risk**

The Group provides services and sells goods with contractual amounts denominated to a large extent in euro. Therefore, it is not exposed to large movements in foreign currency exchange rates against its reporting currency, the euro. The Group did not use derivative financial instruments in the years ended 31 December 2020 and 2019 in order to reduce its exposure to foreign currency exchange risk.

**Fair Value risk**

The carrying amounts of cash and cash equivalents, short-term receivables and short-term liabilities in the balance sheet approximate their fair values due to their short-term nature. The Company does not have a lot of assets at fair.

**(b) Credit risk**

The Group is not exposed to credit risk concentration, including risk of default, because of the fact that it effectively deals with various agencies of the European Union and, to a lesser extent, institutions of various European governments. As a result of this, the credit risk that the Group faces is not significant.

**(c) Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Group through the Group Treasury has access to funding through the committed credit lines available at the Company level.

**(d) Price risk**

The Group has limited exposure to changes in the prices of the shares held either for trading or as available for sale financial assets.

**(e) Special risk**

The economic situation in Greece creates an unstable environment and reverses the trend of growth in reduction.

As part of ensuring the uninterrupted continuation of the effective operation of the Greek branch and limiting the negative impacts that could occur due to political and economic negative developments the company's management has taken measures such as:

- A management team of Finance Department works daily monitoring of treasury and planning of transactions, so as not to hamper the smooth operation of the company and to limit exposure to a potential bail in. Also monitored all current letters of guarantees and punctuality settlement of liabilities.
- The project manager has been informed for the projects of the Public and Private sector to watch carefully and to inform the Management for the smooth progress of contract execution, ensuring the requirements, ensuring the necessary resources into inventory and human resources for implementation and completion of the projects, also ensuring the financial resources for payments. Also monitor the backlog of projects for which care is always covered with the necessary guarantees
- An administrative team has been established which is responsible for security of the premises of Greek branch, the safe transportation of personnel to and from company location, also to ensure the possibility of remotely working for key personnel, as well in ensuring communication with customers and external vendors.

**(f) COVID-19**

A significant risk to the economic environment is the COVID-19 coronavirus pandemic, declared by the WHO in the first quarter of 2020.

Measures taken by many countries to contain the spread of the pandemic including quarantines and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown and recession of global economy.

The global effects of this pandemic include social and economic instability in many parts of the world, including Luxembourg which has issued a state of emergency since 15 March 2020, Greece which has issued a state of emergency since 23 March 2020 and Romania, which has issued a state of emergency since 21 March 2020. On 20 April 2020 for the Luxembourg Government, on 4 May 2020 for the Greek Government, and on 15 May 2020 for Romanian Government began the gradual lifting of the restrictive measures of the lockdown and the implementation of the governments' plans for the gradual transition to the new reality.

The Intrasoft International, its branches and the whole Intrasoft Group immediately responded to the outbreak of the pandemic and since the end of February has taken various initiatives to this end primarily focusing on ensuring the health and safety of its employees and all of its stakeholders, as well as the smooth operation of its activities and continuing to supply our markets.

These initiatives include:

- Adopting a timely and successful new remote working model (teleworking) where possible and remotely supporting information systems.
- Upgrading teleworking infrastructures.
- Drafting a Policy addressing how to prevent and manage issues arising from the COVID-19 pandemic, including detailed prevention guidelines and testing response under various scenarios, planning for and implementing procedures for handling any suspected COVID-19 cases.
- Continuously keeping employees up to date, along with ongoing health support.
- Regular disinfection in all workplaces and appropriate disposal of personal protection equipment (PPE).

The activities of Intrasoft International have not been affected due to the recent COVID-19 outbreak and its financial figures of 2020 are record breaking. In parallel Intrasoft International continues to comply with all regulations and its responsibilities and there is not impact at the investments of the Group and the investment plan is implemented according to the schedule. Both on 31 December 2020 and today, Intrasoft International and the Group maintain a satisfactory financial position and liquidity.

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The financial effect of the current crisis on the global economy and overall business activities cannot be estimated with reasonable certainty at this stage, due to the pace at which the outbreak expands, the high level of uncertainties arising from the inability to reliably predict the outcome and the effectiveness of the fiscal and other measures taken by governments as well as the decisions of the supervisory authorities of banking institutions to provide liquidity and support to businesses and households. Management will continue to monitor the situation closely and will assess any potential further impact on the Group's financial position and performance, including the recoverable amount of the investments in subsidiaries, in case the period of disruption becomes prolonged. It is strongly believed that the expected recession of global economy will be offset for the Intrasoft International and whole Group by the constantly growing demand for digitalization.

Also, the parent company Intracom Holdings continues to support its subsidiaries presenting excess cash liquidity against any risk.

### **Key accomplishments for 2020**

This report contains our main achievements for 2020, a year that further solidified our reputation as a leading European IT Solutions and Services Group, a partner of choice and a top-of-mind employer. Over the last year, INTRASOFT has accelerated the growth of its business and increased its market share, successfully delivering numerous large-scale projects and benefiting all stakeholders and the societies it operates in.

During this extremely challenging year, due to the COVID-19 pandemic, our culture of doing business didn't change top priorities were to achieve flexibility, successfully respond to our clients' rapidly changing needs, to continue achieving our high customer satisfaction levels by delivering high quality IT services and solutions.

Throughout 2020, we have managed to expand our activities in various industries on a global scale, experiencing growth and new opportunities. Our technological expertise has enabled us to deliver advanced IT, Consulting and Communications services to our enriched clientele. 2020 was a successful and fruitful year for the Company, achieving a 24.53% increase in EBITDA, and almost doubling the new bookings from EUR 219 million to EUR 530 million. We continued to develop innovative solutions and products, offering high-quality services to existing and newly awarded **EU Institutions** clients, while developing and growing our existing contracts within **Public Sector** and **Enterprise Solutions** clients.

2020's fruitful achievements were attributed to our talented #IntrasoftPeople, who continued their outstanding work and successfully managed to meet and exceed our customers' expectations, despite the unprecedented circumstances caused by the COVID-19. For yet another year we put our people's safety first on our priority list, providing them with all the necessary means for the remote working era. Moreover, we have matured in the Agile culture at a Group level. The number of our Agile teams has increased and more and more #IntrasoftPeople have embraced the Agile way of doing business, resulting into more adaptive, innovative and resilient teams in a fast-paced digital economy.

Below you can find a brief overview of our accomplishments per industry, for 2020.

## **European Institutions**

In a year where effective communication was more crucial than ever, at INTRASOFT we have managed to rise to the occasion. Within 2020, we continued providing impactful communication services, alongside stunning, high-quality IT services, in the fields of Application Development, Managed Services, Professional Services, Information & Communication Services (SCOPE) and Research & Innovation Development. Our commitment to delivery excellence has further established the INTRASOFT brand as a trustworthy, market leader Agile partner of choice to the EU Institutions clients. More specifically:

- We were awarded the ISDLS II contract by the European External Action Service. The 4-year framework will cover project management, analysis, development and support services
- We were awarded the European Blockchain Observatory and Forum project by the European Commission's Directorate General for Informatics (DIGIT), which solidifies our position in the field of institutional communications and consultancy
- We won two landmark EUSS contracts for the European Commission covering the provision of End-User Support Services for the Digital Workplace (Lot1) and for Information Systems (Lot2) Along with our partners, we were once again selected by the EC to lead the digital transformation of core IT services that support the work of tens of thousands of users in almost all European Institutions
- We were awarded a major new contract by the European Investment Bank (EIB) covering the provision of IT services Transition, which proves that we are a trustworthy partner of choice
- We were awarded a new contract (project UCMS18) covering the provision of support and operations services for the European Parliament's Unified Communication infrastructure. The contract is vivid recognition of our hard work and proof of our technological expertise in offering managed services to a very large number of clients in the European Institutions

## **Public Sector**

At INTRASOFT we are recognized as a global leader in Customs and Tax Compliance solutions. We are proud of our proven capability to design and deliver configurable products of high complexity for the unique needs of our Public Sector clients, from Mozambique to Denmark, from the UK to Qatar. In 2020, despite the challenges met due to COVID-19 pandemic, we have managed to consolidate our position in regions and markets where we already have a physical and/or operational presence, furthering our progress in the productization of expertise roadmap and fostering strategic collaborations with reliable partners that greatly extended our geographical reach.

Moreover, our success in 2020 was attributed to our flagship products (ESKORT, INTRASOFT ERMIS, INTRASOFT ICARUS, INTRASOFT PERSEUS and INTRASOFT PROTEUS) and their unique characteristics that seem to be extremely appealing to the market, due to their adaptability to business and technology changes. Regarding new signed contracts and successes for 2020, the following are worth mentioning:

- We were awarded a new contract for the delivery, maintenance and operation of a new declaration management platform for the Danish Customs Agency under the Danish Ministry of Taxation, based on our INTRASOFT ERMIS product
- Following our vast experience in the social security domain, we were awarded a contract by eEfka, regarding the provision of development services for its main IT systems

## **Enterprise Solutions**

INTRASOFT's Enterprise Solution Business Unit primarily assists private sector clients in fields that range from Banking & Finance, Telco, Insurance, Energy & Utilities, Lottery & Gaming to Retail, providing them solutions, including SAP services and IT security. Throughout 2020, we continued expanding our Enterprise solutions activities with successful results in all market sectors, significantly increasing our revenues. Several significant projects were implemented servicing a variety of industries:

- We were awarded the major new contract "Hercules" by the Hellenic Electricity Distribution Network Operator (HEDNO), for the implementation of the SAP ERP S/4 HANA information system under the Industry Solution Utilities proven solution. This project will play a vital role in HEDNO's digital transformation, a project that will upgrade the services offered in the national energy market and will also deliver a significant social impact
- We won the SAP Partner Excellence Award 2020 for the Market Unit Greece, Cyprus and Malta, following our key achievements - sales and projects for 2020, Participation in Athina program with 20 new SAP consultants, Certifications for 2020, implementation of SAP e-book application and Beta tester of the solution
- We successfully collaborated with numerous partners and clients within 2020; COSMOTE, CYTA, Intralot, MR Health Tech, Piraeus Bank, VODAFONE and many more. Furthermore, we successfully executed and renewed a number of maintenance contracts for our customer base in Greece and abroad (HELLENIC PETROLEUM GROUP, National Bank of Greece, University of Patras, KENYA HOUSING FINANCE, THESSALONIKI PORT AUTHORITY)

Our **Banking and Finance** department continued its international promotion and delivery activities of our banking solutions. In close cooperation with our subsidiary in Nairobi, Kenya, we established our banking solutions in East Africa with installations in commercial banks, building societies and reputable savings and credit cooperatives (SACCOs). Further to our significant achievements in the financial services in Kenya and in East African region:

- We successfully collaborated with Kenya Police SACCO, one of the leading savings and credit co-operative society (SACCO) in the country, for the go-live of PROFITS® for SACCO core banking system and i-PROFITS® Internet Banking Solution
- We continued the delivery of additional functionalities and the provision of maintenance and support services to the ZNBS operating PROFITS® Core Banking System, that started in 2019. ZNBS is the largest building society in Zambia for the provision of mortgages, banking and property management services

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During 2020, our New Ventures business department proceeded with developing and scaling up the initiatives commenced in 2019, especially those concerning advanced Data Analytics, Artificial Intelligence and Blockchain. Moreover, we remained loyal to the pursuit of intrapreneurship activities and focused on using innovation as the strategic enabler for business growth. Our team continued to interact with the international start-up landscape and leveraged INTRACOM Group's existing partnerships and co-investments in the Jeremie and Equifund VCs, as well as coordinated additional participation in the Greek VC ecosystem.

Luxembourg, 25th of June 2021

*Alexandros-Stergios Manos*  
Chief Executive Officer





# Independent Auditor's Report

To the Shareholders of INTRASOFT International S.A.

## **Report on the Audit of the Consolidated Financial Statements**

### **Opinion**

We have audited the accompanying consolidated financial statements of INTRASOFT International S.A. (the Group), which comprise the consolidated statement of financial position as at 31 December 2020, and the 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 consolidated financial statements present fairly, in all material respects, the financial position of INTRASOFT International S.A. and its subsidiaries (the Group), as at 31 December 2020, and their financial performance and their consolidated 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 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 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.

### **Other Matter**

This report, including the opinion, has been prepared for and only for the use of the Group's members as a body and should not be used for any other purposes. We do not, in giving this opinion, accept or assume responsibility for any other purposes or to any other person to whose knowledge this report may come to.

### **Other Information**

Management is responsible for the other information. The other information comprises the information included in the Board of Directors' Report and to any other information the Group has optionally incorporated, but does not include the financial statements and our auditor's report thereon.

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

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



## **Responsibilities of Management for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing 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 Group or to cease operations, or has no realistic alternative but to do so.

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 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 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 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



We communicate with management 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.

Athens, 28 June 2021

**Zoi D. Sofou**

Certified Public Accountant Auditor  
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## **E) Annual Financial Statements**

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In accordance with International Financial Reporting Standards as adopted by the European Union.

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## Balance sheet

	Note	31/12/2020	31/12/2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	2.704.990,41	2.898.547,28
Right-of-use assets	9	8.501.322,08	8.472.696,06
Goodwill	6	13.572.454,82	13.572.454,82
Other intangible assets	7	12.557.419,50	9.439.915,38
Investment property	8	673.879,73	690.437,89
Investment in associates (accounted for using the equity method)	10	900.188,01	1.115.732,23
Finance lease receivables		0,00	53.384,74
Deferred income tax assets		240.759,92	134.102,40
Trade and other receivables	12	2.403.844,55	2.712.160,34
Financial assets at fair value through other comprehensive income	11	629.034,68	539.617,20
		<b>42.183.893,70</b>	<b>39.629.048,34</b>
<b>Current assets</b>			
Inventories	14	195.959,83	598.227,29
Trade and other receivables	13	117.870.720,51	102.685.024,04
Finance lease receivables		59.776,70	78.586,80
Current income tax receivables		5.113.035,44	7.603.695,70
Cash and cash equivalents	15	31.006.024,39	14.598.541,55
		<b>154.245.516,87</b>	<b>125.564.075,38</b>
<b>Total assets</b>		<b>196.429.410,57</b>	<b>165.193.123,72</b>
<b>EQUITY</b>			
<b>Capital and reserves attributable to the Company's equity holders</b>			
Share capital	16	1.552.600,00	1.552.600,00
Fair value reserves	17	279.856,59	761.353,87
Other reserves	17	3.741.230,09	3.800.518,00
Retained earnings		11.048.943,61	8.457.685,36
		<b>16.622.630,30</b>	<b>14.572.157,23</b>
<b>Minority interest</b>		<b>1.241.829,33</b>	<b>1.459.067,37</b>
<b>Total equity</b>		<b>17.864.459,62</b>	<b>16.031.224,60</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	18	41.347.286,03	40.588.144,99
Lease liabilities	22	6.113.227,14	5.830.294,85
Retirement benefit obligations	19	5.419.828,65	4.581.056,30
Long-term provisions for other liabilities and charges	20	2.532.470,99	2.532.470,99
Trade and other payables	21	97.796,47	0,00
		<b>55.510.609,28</b>	<b>53.531.967,13</b>
<b>Current Liabilities</b>			
Trade and other payables	21	91.213.973,53	69.745.419,11
Current income tax liabilities		861.817,44	80.651,92
Borrowings	18	21.569.601,06	16.812.918,53
Lease liabilities	22	2.905.115,10	2.976.621,77
Short-term provisions for other liabilities and charges	20	6.503.834,54	6.014.320,66
		<b>123.054.341,67</b>	<b>95.629.931,99</b>
<b>Total liabilities</b>		<b>178.564.950,95</b>	<b>149.161.899,12</b>
<b>Total equity and liabilities</b>		<b>196.429.410,57</b>	<b>165.193.123,72</b>

The notes are an integral part of these financial statements.

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## Statement of comprehensive income

<i>In EUR</i>	Note	2020	2019
<b>Continuing operations:</b>			
Sales		197.292.909,45	178.117.168,28
Cost of sales	23	(164.506.834,55)	(148.472.808,32)
<b>Gross profit</b>		<b>32.786.074,90</b>	<b>29.644.359,96</b>
Selling and marketing costs	23	(8.994.419,30)	(8.997.899,80)
Administrative expenses	23	(11.860.886,78)	(12.687.993,24)
Net impairment gains/ (losses) of financial assets and contract assets	24	(1.126.728,14)	(432.770,14)
Other income	27	546.692,85	615.760,83
Other gains / (losses) - net	28	(779.567,70)	(150.609,31)
<b>Operating profit</b>		<b>10.571.165,82</b>	<b>7.990.848,30</b>
Finance income	29	207.949,12	231.988,98
Finance cost	29	(5.392.116,16)	(5.066.024,84)
<b>Finance costs - net</b>		<b>(5.184.167,04 )</b>	<b>(4.834.035,86)</b>
Share of profit / (loss) of associates (after tax and minority interest)		(215.594,22)	1.164,93
<b>Profit before income tax</b>		<b>5.171.404,55</b>	<b>3.157.977,37</b>
Income tax expense	30	(2.427.006,10)	(2.586.324,52)
<b>Profit after tax for the period from continuing operations</b>		<b>2.744.398,45</b>	<b>571.652,85</b>
<b>Discontinued operations:</b>			
<b>Profit / (loss) after tax for the period from discontinued operations</b>		<b>0,00</b>	<b>0,00</b>
<b>Profit / (loss) after tax for the year (from continuing and discontinued operations)</b>		<b>2.744.398,45</b>	<b>571.652,85</b>
<b>Profit / (loss) after tax attributable to:</b>			
Equity holders of the Company		2.868.516,26	720.469,42
Minority interest		(124.117,81)	(148.816,58)
		<b>2.744.398,45</b>	<b>571.652,85</b>
<b>Other comprehensive income:</b>			
FVOCI financial assets - Fair value gains/losses		35.589,32	437.741,20
Currency translation differences		(610.206,83)	138.489,30
Actuarial gain/losses	19	(336.545,91)	(187.145,56)
Other		0,00	10.317,03
<b>Other comprehensive income for the year, net of tax:</b>		<b>(911.163,42)</b>	<b>399.401,97</b>
<b>Total comprehensive income for the period</b>		<b>1.833.235,03</b>	<b>971.054,82</b>
<b>Other comprehensive income attributable to:</b>			
Owners of the parent		(818.043,19)	412.520,96
Minority interest		(93.120,23)	(13.118,99)
		<b>(911.163,42)</b>	<b>399.401,97</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the parent		2.050.473,07	1.085.699,55
Minority interest		(217.238,04)	(114.644,73)
		<b>1.833.235,03</b>	<b>971.054,82</b>
Earnings /(loss) per share attributable to owners of the parent for the year (in € per share)			
<b>Basic</b>		<b>46,19</b>	<b>11,60</b>

The notes are an integral part of these financial statements.



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## Statement of changes in equity

<i>In EUR</i>	Note	Share capital	Fair value reserves	Other reserves	Retained earnings	Minority Interest	Total equity
Balance at 1 January 2019		1.552.600,00	(510.322,45)	4.260.163,56	8.064.299,33	1.468.506,70	14.835.247,14
FVOCI financial assets - Fair value gains/losses	17	0,00	437.741,20	0,00	0,00	0,00	437.741,20
Currency translation differences	17	0,00	151.608,29	0,00	0,00	(13.118,99)	138.489,30
Actuarial gain/losses	19	0,00	0,00	(187.145,56)	0,00	0,00	(187.145,56)
Other		0,00	0,00	0,00	10.317,03	0,00	10.317,03
Other comprehensive income		0,00	589.349,49	(187.145,56)	10.317,03	(13.118,99)	399.401,97
Net profit / (loss)		0,00	0,00	0,00	720.469,42	(148.816,58)	571.652,85
Total comprehensive income		0,00	589.349,49	(187.145,56)	730.786,45	(161.935,57)	971.054,81
Transfer of FVOCI reserves to retained earnings due to disposal		0,00	677.585,59	0,00	(677.585,59)	0,00	0,00
Transfer from other reserves to retained earnings		0,00	0,00	(272.500,00)	272.423,45	0,00	(76,55)
Dividend		0,00	0,00	0,00	0,00	0,00	0,00
Issue of share capital on acquisition of subsidiary		0,00	0,00	0,00	0,00	0,00	0,00
Other		0,00	4.741,24	0,00	67.761,72	152.496,24	224.922,64
		0,00	682.326,83	(272.500,00)	(337.400,43)	152.496,24	1.175.008,24
Balance at 31 December 2019		1.552.600,00	761.353,87	3.800.518,00	8.457.685,36	1.459.067,37	16.031.224,60

<i>In EUR</i>	Note	Share capital	Fair value reserves	Other reserves	Retained earnings	Minority Interest	Total equity
Balance at 1 January 2020		1.552.600,00	761.353,87	3.800.518,00	8.457.685,36	1.459.067,37	16.031.224,59
FVOCI financial assets - Fair value gains/losses	17	0,00	35.589,32	0,00	0,00	0,00	35.589,32
Currency translation differences	17	0,00	(517.086,60)	0,00	0,00	(93.120,24)	(610.206,83)
Actuarial gain/losses	19	0,00	0,00	(336.545,91)	0,00	0,00	(336.545,91)
Other		0,00	0,00	0,00	0,00	0,00	0,00
Other comprehensive income		0,00	(481.497,28)	(336.545,91)	0,00	(93.120,24)	(911.163,42)
Net profit / (loss)		0,00	0,00	0,00	2.868.516,26	(124.117,81)	2.744.398,45
Total comprehensive income		0,00	(481.497,28)	(336.545,91)	2.868.516,26	(217.238,04)	1.833.235,03
Transfer of FVOCI reserves to retained earnings due to disposal		0,00	0,00	0,00	0,00	0,00	0,00
Transfer from other reserves to retained earnings		0,00	0,00	277.258,00	(277.258,00)	0,00	0,00
Dividend		0,00	0,00	0,00	0,00	0,00	0,00
Issue of share capital on acquisition of subsidiary		0,00	0,00	0,00	0,00	0,00	0,00
Other		0,00	0,00	0,00	0,00	0,00	0,00
		0,00	0,00	277.258,00	(277.258,00)	0,00	0,00
Balance at 31 December 2020		1.552.600,00	279.856,59	3.741.230,09	11.048.943,61	1.241.829,33	17.864.459,62

The notes are an integral part of these financial statements.

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## Cash flow statement

<i>In EUR</i>	Note	2020	2019
Profit after tax for the period		2.744.398,45	571.652,85
Adjustments for:			
Tax	30	2.427.006,10	2.586.324,52
Depreciation of property, plant & equipment	5	1.350.828,07	1.230.936,66
Depreciation of investment property	8	16.558,16	16.558,16
Amortisation of intangible assets	7	2.776.747,14	2.104.667,44
Depreciation of right-of-use assets	9	3.304.266,70	3.125.450,06
(Profit) / loss on disposal of property, plant & equipment		(5.296,34)	174,79
(Profit) / loss on disposal of intangible assets	28	0,00	(10.827,82)
Interest income	29	(207.949,12)	(231.988,98)
Interest expense	29	5.392.116,16	5.066.024,84
Dividend Income		0,00	0,00
Exchange gains / (losses)		0,00	138.489,30
Share of results of associates		215.594,22	(1.164,93)
Other		(340.338,03)	32.623,25
		<b>17.673.931,52</b>	<b>14.628.920,14</b>
(Increase) / decrease in inventories	14	402.267,46	1.779.921,67
(Increase) / decrease in trade and other receivables	13	(14.877.380,68)	(1.292.833,17)
Increase / (decrease) in payables	21	21.566.350,89	(6.087.366,56)
Increase / (decrease) in provisions	20	489.513,86	1.442.695,61
Increase / (decrease) in pension & other benefits	19	395.948,92	661.084,15
Changes in working capital		<b>7.976.700,46</b>	<b>(3.496.498,32)</b>
Net cash generated from / (used in) operating activities		<b>25.650.631,97</b>	<b>11.132.421,82</b>
Cash flows from operating activities			
Interest paid		(5.392.116,16)	(5.066.024,84)
Income tax paid		844.819,68	(8.745.554,47)
Net cash from operating activities		<b>21.103.335,48</b>	<b>(2.679.157,49)</b>
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(1.181.315,47)	(1.356.557,78)
Purchase of intangible assets	7	(6.091.848,97)	(5.605.970,52)
Proceeds from sale of property, plant & equipment		(2.965,98)	135.830,59
Purchase of financial assets at fair value through OCI	11	(53.828,16)	(11.701,00)
Proceeds from sale of intangible assets		32.000,00	0,00
Acquisition of subsidiary net of cash acquired		0,00	(156.250,00)
Acquisition of associates and joint ventures		50,00	(420.000,00)
Proceeds from disposals of financial assets at fair value through OCI	11	0,00	604.500,70
Interest received		207.949,12	231.988,98
Dividends received		0,00	0,00
Net cash used in investing activities		<b>(7.090.059,45)</b>	<b>(6.578.159,03)</b>
Cash flows from financing activities			
Proceeds from borrowings		9.172.578,36	5.312.754,25
Repayments of borrowings		(3.656.754,79)	(1.926.327,23)
Principal elements of lease payments	22	(3.121.616,76)	(2.829.145,61)
Net cash used in financing activities		<b>2.394.206,81</b>	<b>557.281,41</b>
Net (decrease) / increase in cash & cash equivalents		<b>16.407.482,84</b>	<b>(8.700.035,11)</b>
Cash and cash equivalents at beginning of the period		14.598.541,55	23.298.576,66
Effects of exchange rate changes on cash and cash equivalents			0,00
Cash and cash equivalents at end of the period	15	<b>31.006.024,39</b>	<b>14.598.541,55</b>

The notes are an integral part of these financial statements.

## **Notes to the Financial Statements**

### **1. General information**

INTRASOFT INTERNATIONAL S.A. (referred to as the Parent Company or the Group), is a Luxembourg "Société Anonyme" incorporated on 2 October 1996. The accompanying consolidated financial statements present INTRASOFT INTERNATIONAL S.A. and its subsidiaries (hereinafter "the Group").

The focus of the Group's activities is on the public sector market, assisting national and international governmental organisations to design and implement their policies, ICT application infrastructure and support services. The particular service lines are as follows:

- application development,
- content management and information networks,
- professional services,
- outsourcing and managed services and,
- Innovation and solutions development.

The registered office of the Parent Company is in No. 2, rue Nicolas Bové, L – 1253, Luxembourg. During the fiscal year 2000, the Parent Company set up a new wholly owned subsidiary in Belgium, which is based in Brussels. The Board of Directors on 25 August 1999, decided to establish a registered Branch Office in Athens, Greece. During 2002, the Parent Company established a 99% held subsidiary in Greece with the name of Intrasoft SA. During the 2004 financial year, the Group established a registered Branch Office in Bucharest, Romania.

During the year 2011, the Group established two fully-owned subsidiaries, one in Bulgaria under the name Intrasoft International Bulgaria Ltd and one in United Kingdom under the name Intrasoft Information Technology UK Ltd.

On 2 January 2012, the Group absorbed its Parent Company INTRACOM S.A. INFORMATION TECHNOLOGY & COMMUNICATION SERVICES with the distinctive title "INTRACOM IT SERVICES", with registered office in Paiania Attica Greece. The cross-border merger was implemented in application of the provisions of the Directive 2005/56/EC of the European Parliament and the Council of 26/10/2005.

As a result, as of 2 January 2012, date of publication in the National Gazette of Luxembourg of the resolution approving the cross-border merger, the absorbing Company "INTRASOFT INTERNATIONAL SA", substitutes without further formalities in all rights, obligations, claims and legal relationships the absorbed Company "INTRACOM IT SERVICES" which is deemed as ipso jure wound up, while its legal entity disappears without the need to be subject to liquidation, such transfer being equivalent to a full succession.

The Board of Directors on 2 March 2012, decided to establish a 100% held subsidiary in United States of America with the name of Intrasoft International USA, Inc.

During the year 2013, the Group established a 80% held subsidiary in the free zone area of "RAK" in United Arab Emirates with the name of Intrasoft Middle East FZC.

During the year 2014, the Group established a 50% held subsidiary Company with the name of Advanced Transport Telematics SA in Greece.

During the year 2015, the Group acquired a 88, 00% held subsidiary Company with the name of Intrasoft International East Africa in Kenya.

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On January 12th, 2017 the Group established the VALEU Consulting S.A. the company paid the amount of 24.661,50 for the 40,10% of total capital. VALEU Consulting S.A is the result of joint efforts between INTRASOFT International and management consulting firm Planet S.A.; the company complements the current service offerings of INTRASOFT and PLANET while benefiting from INTRASOFT's leading position in the European Institutions market and PLANET's extensive consulting experience across Europe. Value's focus is on strategy, policy and implementation services related to policy-making in the EU. This includes strategic studies, impact assessments, evaluations and much more. These services will be provided to all the EU institutions and bodies across all topics

On March 30th, 2017 the Group paid the amount of 241.500,00 euros, for the acquisition of 24.150 (10% of total capital) ordinary registered shares (with a nominal value of 10 euros each) of the company under the name RURAL CONNECT BROADBAND NETWORKS SPV. RURAL CONNECT BROADBAND NETWORKS SPECIAL PURPOSE COMPANY (RC), has been established in 2014 in order to execute the Private-Public-Partnership (PPP) project, named "Development of Broadband Infrastructure in Rural "White" Areas of the Greek Territory and Services for the Exploitation-Development of the Infrastructure via PPP - Geographical Area 2" (the "Project"). The Project is funded by EU structural funds, and is executed under a "PPP process contract", signed on 29/12/2014, governed by the Greek State Laws, with the company "Information Society SA" acting as contracting authority.

On May 5th, 2017 the Group participate by 5% to the company "THESSALONIKI's CONTROLLED PARKING SYSTEM S.A." with the distinctive title "STELSTATH".

On November 22nd, 2017 the Group acquired the 100,00% held subsidiary Company with the name of INTRACOM (CYPRUS) LTD in Cyprus.

In December 2017 the Group decided to liquidate its 100% subsidiary company INTRACOM EXPORTS LTD in Cyprus.

During the year 2018, the Group established a 40% held subsidiary in Greece with the name of WEMETRIX.

During the year 2018 the Group decided to liquidate its 100% subsidiary company GLOBAL NET SOLUTIONS in Bulgaria.

In March 2018 the Group acquired the 100,00% held subsidiary Company with the name of MARDICODE PROPRIETARY LIMITED in South Africa. On March 16 the company name changed to INTRASOFT INTERNATIONAL SOUTH AFRICA (PTY) Limited. This is the latest in a growing number of subsidiaries and representations for the Group. The team of experts in the Cape Town office will focus on public sector projects, primarily in the field of taxation and revenue management solutions, which along with e-customs have become INTRASOFT's calling card across the global public sector.

During the year 2019 and more specifically on 9 April 2019 the Company paid the amount of EUR 200.000,00, for the acquisition of 178 preference shares registered shares (with a nominal value of 1 euro each) of the company under the name INCELLIGENT Private Company. INCELLIGENT is a start-up company specializing in building Data-Driven, Predictive & Prescriptive Analytics solutions by exploiting the most recent advancements in Artificial Intelligence (AI), Machine Learning (ML) and Deep Learning (DL) technologies. This new investment is a bold step forward, further enhancing our products and services with Data Analytics and Artificial Intelligence features, providing predictive and prescriptive insights to our customers. On 24 April 2019 the Company acquired 222 preference shares registered shares (with a nominal value of 1 euro each) of the company under the name INCELLIGENT Private Company for the amount of EUR 220,000.

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Furthermore, on 7 October 2019 the Company paid the amount of EUR 150.000,00 for the acquisition of 12.500 shares of the company under the name WEMETRIX SA and on 7 May 2019 the Company paid the amount of EUR 100,00 for the acquisition of 1.500 shares of the company under the name Intrasoft International Zambia Limited.

The Group's holding company Intracom S.A. Holdings, which is listed on the Athens Stock Exchange.

These financial statements have been approved for issue by the Board of Directors on 25<sup>th</sup> of June 2021 and are subject to approval by the General Meeting of the Shareholders.

## **2. Summary of significant accounting policies**

### **a) Basis of Preparation**

The Group's consolidated financial statements for the year ended 31 December 2020 have been prepared in accordance with International Financial Reporting Standards (IFRSs) as endorsed by the European Union (EU), and all the amounts are depicted in Euro ("EUR"), the functional currency of the Group. The financial statements have been prepared under the historical cost convention as modified by the FVOCI financial assets, financial assets at fair value through profit or loss, which are carried at fair value. There are no IFRSs that have been applied before their respective dates of application.

The financial statements have been prepared on a going concern basis.

Particular circumstances which could adversely affect the continuation of the Group or the presentation of a true and fair view of the Group's net assets, financial position and results of operations do not exist.

The banks renewed their credit facilities, including guarantee limits, in favor of the Group, and that there is no indication that they intend to withdraw their support over the next twelve months. Furthermore, within 2020 the Group increased its loan balances to support the continuing growth and address the working capital requirements stemming from new projects and the increased backlog.

### **b) Regulatory Financial Statements**

The accompanying financial statements have been based on the financial statements prepared in accordance with the local Commercial and Tax Law (of the respective countries), appropriately adjusted and reclassified by certain out-of-book memorandum adjustments for purposes of conformity with the IFRSs.

### **c) Significant accounting judgments estimates and assumptions**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may ultimately differ from those estimates.

Judgments made by management in applying the accounting policies, other than those dealt with below, that could have a significant effect on the amounts recognised in the financial statements are:

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- classifying leases as operating / finance leases and,
- capitalization of software development costs and,
- revenue recognition
- going concern

The key assumptions made concerning the future and other key sources of estimation uncertainty at the balance sheet date that could have a significant risk of causing material adjustment to the carrying amounts of the assets and liabilities within the next financial year are:

- **Income taxes:** The Group is subject to income taxes in 4 jurisdictions. Significant judgment is required in determining the aggregate provision for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. 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 has been applying the new IFRS 15 Standard as of 1 January 2018. The adoption of the Standard took place without revision of the comparative figures and therefore the cumulative effect from the retrospective application of the new accounting policies is presented in equity as at 1 January 2018. The impact of adopting the new policy as well as a brief description of past accounting policies is described below: IFRS 15 "Revenue from contracts with customers" The sectors in which the Group operates are presented in note 4. Until 31 December 2017, the Group uses the percentage-of-completion method in accounting for its fixed price contracts to deliver certain services. The Group uses the percentage of completion method of IAS 11 to recognise revenue from services contracts. Revenue is recognised by reference to the stage of completion of the project at the balance sheet date, based on actual amounts compared to total estimated amounts. Possible adjustments to total estimated contract costs and revenues are taken into consideration in the period in which they arise. Under IFRS 15 the Group examined the contracts and found that IFRS 15 mainly affects two types of income as follows:

(a) where the customer may be able to separately purchase a warranty for a product for a period of time at the point of sale or where the guarantee can be expressly stated in the contract. Consideration was also given to the ability of the Group to provide maintenance services, such as bug fixes for a software license, which can be considered as a guarantee and

b) the cases in which the Group sells maintenance services that are accompanied by the sale of software licenses.

Revenue related to guarantees that provide a service to the customer, in addition to ensuring that the delivered product is as defined in the contract (service type guarantees) are recognized during the warranty period. Revenue associated with collateral guarantees does not provide additional good or service to the client (i.e. they do not constitute separate performance obligations). These guarantees will continue to be accounted for in accordance with IAS 37.

For revenue associated with the provision of maintenance services associated with the sale of software licenses, where the use of a software license is directly related to the provision of maintenance services, it has been redefined to recognize the relevant revenue in the years of service provision.

**d) New standards, amendments to existing standards and interpretations**

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning during the current financial year and subsequent years. 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**

The Group applied IFRS 16 COVID-19-Related Rent Concessions Amendment. The nature and effect of the changes as a result of adoption of this new accounting standards are described below.

Several other amendments and interpretations apply for the first time in 2020, but do not have an impact on the financial statements of the Company.

Due to the transition methods chosen by the Group in applying this standard, comparative information throughout these financial statements has not been restated to reflect the requirements of the new standard.

**IFRS 16 "Leases" COVID-19-Related Rent Concessions Amendment**

As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. The rent concessions could be in various forms and may include one-off rent reductions, rent waivers or deferrals of lease payments.

Previously under IFRS 16, rent concessions often met the definition of a lease modification, unless they were envisaged in the original lease agreement. The accounting for lease modifications can be complex. For example, the lessee may be required to recalculate lease assets and liabilities using a revised discount rate.

The amendments introduce an optional practical expedient that simplifies how a lessee accounts for rent concessions that are a direct consequence of COVID-19. A lessee that applies the practical expedient is not required to assess whether eligible rent concessions are lease modifications, and accounts for them in accordance with other applicable guidance. The resulting accounting will depend on the details of the rent concession. If the concession is in the form of a one-off reduction in rent, it will be accounted for as a variable lease payment and be recognised in profit or loss. The lessee would also make a corresponding adjustment to the lease liability, in effect derecognising the part of the lease liability that has been forgiven or waived.

The practical expedient will only apply if:

- the revised consideration is substantially the same or less than the original consideration;
- the reduction in lease payments relates to payments due on or before 30 June 2021; and
- no other substantive changes have been made to the terms of the lease.

Lessees applying the practical expedient are required to disclose:

- that fact, if they have applied the practical expedient to all eligible rent concessions and, if not, the nature of the contracts to which they have applied the practical expedient; and

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- the amount recognised in profit or loss for the reporting period arising from application of the practical expedient.

No practical expedient is provided for lessors. Lessors are required to continue to assess if the rent concessions are lease modifications and account for them accordingly.

The amendments are effective for periods beginning on or after 1 June 2020, with earlier application permitted. A lessee applies the amendments retrospectively and recognises the cumulative effect of initially applying them in the opening retained earnings of the reporting period in which they are first applied.

i) Impacts on financial statements

As a result of related rent concessions amendment of IFRS 16, the Group applied the practical expedient to rent concessions only for building leasing contracts of Branch Office in Athens. The amount that has been recognised in profit or loss for 2020 regarding the application of the practical expedient is EUR 35.881,25 profit.

**Amendments to the Conceptual Framework, IAS 1, 'Presentation of financial statements', IAS 8, 'Definition of material', IFRS 3, 'Business combinations', IFRS 9, 'Financial instruments', IAS 39, 'Financial instruments', and IFRS 7, 'Financial instruments: disclosures' – Interest rate benchmark reform**

Following the financial crisis, the replacement of benchmark interest rates such as LIBOR and other interbank offered rates ('IBORs') has become a priority for global regulators. The amendments aim to provide relief for hedging relationships. Many interbank offered rates (IBORs) will be replaced by new benchmark Risk-Free Rates (RFRs) in the next few years. One of the biggest issues presented by the replacement of IBORs is the potential effect on hedge accounting given the extensive use of interest rate benchmarks in global financial markets.

Many uncertainties remain but the roadmap to replacement is becoming clearer. Given the pervasive nature of IBOR-based contracts among both financial institutions and corporates, there are significant potential impacts of these changes on financial reporting under IFRS. It has a two-phase project to consider what, if any, reliefs to give from the effects of IBOR reform. Phase 1, which considers reliefs to hedge accounting in the period before the reform, has led to these amendments. Phase 2 will address issues that arise once the existing interest rate is replaced with an alternative interest rate. The amendments are effective for annual periods beginning on or after 1 January 2020, with earlier application permitted.

The Group assessed that the application of these amendments does not have any significant impact on its financial statements on 31 December 2020.

**Standards and Interpretations effective for subsequent periods**

The following new standards, amendments and interpretations to existing standards are either not yet effective for financial year beginning on 1 January 2020 or are not yet endorsed by the European Union. Hence, the Group could not or has chosen not to early adopt them:



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	<b>EU Effective date</b>
Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform Phase 2	1 January 2021
Amendments to IFRS 4 Insurance Contracts – deferral of IFRS19	1 January 2021
Amendment to IFRS 16 Leases Covid 19- Related Rent Concessions	1 June 2020
Amendments to IFRS 3 Business Combinations	1 January 2020
Amendments to IFRS 9, IAS 39 and IFRS17: Interest Rate Benchmark Reform	1 January 2020
Amendments to IAS 1 and IAS 8: Definition of Material	1 January 2020
Amendments to References to the Conceptual Framework in IFRS Standards	1 January 2020

The Group believes that the adoption of the above IFRSs would not have a material impact on its financial statements.

## **2.1 Consolidation**

### **(a) Business combinations and subsidiaries**

Subsidiaries are all entities (including special purpose entities) over which the group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity. The Group also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operational policies by virtue of de-facto control. 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 recognizes 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.

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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 Group'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 changed 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.

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 recognized 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 recognized 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 recognized in other comprehensive income are reclassified to profit or loss.

#### (b) Joint ventures

Joint ventures or jointly controlled entities are accounted for by proportional consolidation. The Group combines its share in the joint venture on a line-by-line basis in the financial statements.

The Group recognises the portion of gains or losses on the sale of assets by the Group to the joint venture that is attributable to the other ventures. The Group does not recognise its share of profits or losses from the joint venture that result from the purchase of assets by the Group from the joint venture until it resells the assets to an independent party. However, if a loss on the transaction provides evidence of a reduction in the net realizable value of current assets or an impairment loss, the loss is recognised immediately.

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

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The Group accounts for investments in joint ventures in its stand-alone financial statements at cost less impairment.

(c) Associates

Associates are entities over which the Group generally has between 20% and 50% of the voting rights, or over which the Group has significant influence, but which it does not control. Investments in associates are accounted for by the equity method of accounting and are initially recognised at cost. The Group's investment in associates 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 also eliminated unless the transaction provides evidence of an impairment of the asset 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 recognized in other comprehensive income are reclassified to profit or loss where appropriate.

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

The Group accounts for investments in associates in its stand-alone financial statements at cost less impairment.

## **2.2 Segment reporting**

The segments are determined on the basis of the internal reporting received by the Group's Management and presented in the financial statements on the same basis as that used for internal reporting purposes.

## **2.3 Foreign currency translation**

Functional and presentation currency

Items included in the financial statements of each of the Group's branches are measured using the currency of the primary economic environment in which the Group operates ("the functional currency"). The financial statements are presented in Euro, which is the functional measurement currency and the presentation currency of the Group.

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

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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 financial assets and liabilities measured at their fair value, are reported as part of the fair value and consequently are recognised where also the fair value gain or loss.

#### Group Companies

The results and financial position of all the 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.

On consolidation, 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 recognized in other comprehensive income.

## **2.4 Property, plant and equipment**

The property, plant and equipment, is stated at historical cost less accumulated depreciation and any impairment loss. Historical 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. The repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method by equal annual charges over the estimated useful life of the asset, as follows:

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Buildings	5-12,5 years
Machinery, installations & equipment	5-10 years
Motor vehicles	5-7 years
Telecommunication equipment	3-5 years
Other equipment	3-5 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 recognized immediately as an expense in profit or loss.

In case of sale of property, plant and equipment, the difference between the sale proceeds and the carrying amount is recognized as profit or loss in the income statement.

An asset's cost and accumulated depreciation are written down on its disposal or retirement when no future economic benefits are expected from its continuing use.

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.

## **2.5 Investment property**

Investment property, principally comprising land is held by the Group for long-term rental yields. Investment property is measured at cost less impairment losses. When the carrying amounts of the investment property exceed their recoverable amounts, the difference (impairment) is charged directly in profit or loss.

The land classified as investment property is not depreciated.

The building classified as investment property is depreciated using the straight-line method by equal annual charges over the estimated useful life of the building. Please also refer to Note 8 for further analysis.

## **2.6 Leases**

### **(a) Finance leases**

Leases of property, plant and equipment, where 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. If there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the property, plant and equipment acquired under finance leases is depreciated over the longer of the useful life of the asset or the lease term.

(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.

## **2.7 Goodwill**

Goodwill is not amortized 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 recognized. The impairment loss is recognized 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".

## **2.8 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 programmes 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.

b) Customer relationships: concern assets recognised on the acquisition of the customer list SAP of LAVISOFT SA in the year 2009 (amortised using the straight-line method over a period of 5 years).

## **2.9 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.

## **2.10 Research and Development Expenses**

Research and Development expenditures are recognized as expenses when they are realized. The expenses which arise from the developing programs (related to the design and the test of new or improved products) are capitalized if it is possible to produced future economic benefit. The other development expenditures are booked as an expense in the results when they are realized. Previous years' development expenditures recognized as expenses, cannot be capitalized in the future fiscal years. The capitalized development expenses are depreciated from the beginning of the product's economic life using the straight-line method during the period of the product's future economic benefits. The Group recognizes the Research expenditures in expenses, and the Development expenditures are capitalized if it is possible to produced future economic benefit. The other development expenditures are booked as an expense in the results when they are realized.

## **2.11 Financial assets**

### **Classification**

The Group classifies its financial assets in the following categories. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and reviews the classification at each reporting date.

#### **(a) Investments in subsidiaries and in associates**

This category includes long-term investments in subsidiaries and associates. Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. The Group also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operational policies by virtue of de-facto control.

Investments in associates which the Group generally has between 20% and 50% of the voting rights, or over which the Group has significant influence, but which it does not control.

(b) Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date, which are classified as non-current assets.

(c) Financial assets at fair value through other comprehensive income

The Group has a number of investments in listed and unlisted entities, which are not accounted for as subsidiaries, associates or jointly controlled entities. For those investments, the Group has made an irrevocable election to classify the investments at fair value through other comprehensive income rather than through profit or loss as the Group considers this measurement to be the most representative of the business model for these assets.

### **Recognition and measurement**

Investments in subsidiaries and associates are accounted at cost less accumulated impairment losses. Impairment losses and reversal of impairment losses are charged in profit or loss.

Loans and receivables are carried at cost less potential impairment losses. Impairment losses and reversal of impairment losses are charged in profit or loss.

Financial assets at fair value through other comprehensive income are carried at fair value with changes in fair value recognised in other comprehensive income and accumulated in the fair value through other comprehensive income reserve. Upon disposal any balance within fair value through other comprehensive income reserve is reclassified directly to retained earnings and is not reclassified to profit or loss.

The fair values of quoted investments are based on year-end bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances. In cases where the fair value cannot be measured reliably, investments are measured at cost less impairment.

### **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 Impairment of financial assets**

Financial instruments include primary financial instruments such as trade receivables and payables, financial receivables and payables and derivative financial instruments.

The portfolio of primary and derivative financial instruments is described in the relevant disclosure in the Notes to the financial statements.



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Financial instruments are classified with the first-time application of IFRS 9 in the categories "at amortized cost", "at fair value through profit or loss" or "at fair value through other comprehensive income".

Financial assets and debts, with the exception of trade receivables, are initially recognized at fair value when initially valued. Unless there is a significant financing component, trade receivables are valued at their transaction price in accordance with IFRS 15. For financial instruments measured at amortized cost or at fair value through profit or loss, the direct transaction costs are included in the carrying amount. The subsequent valuation depends on the classification of the financial assets into the following categories:

Financial assets are carried at amortized cost if they are held as part of a business model whose objective is to hold the assets and collect the contractual cash flows consisting solely of principal and interest payments. For long term assets for which the effect of compounding is significant the effective interest method is applied.

Financial assets held as part of a business model whose objective is both the collection of contractual cash flows and the sale of assets are valued at fair-value through other comprehensive income. Changes in the fair value are recorded in Other Comprehensive Income.

Financial assets that cannot be allocated to either of the two categories above are measured at fair value through profit or loss. This category applies in particular to equity instruments and derivatives.

According to the impairment model of IFRS 9, the expected losses for a 12-month period after the balance sheet date are determined for all assets. If there has been a significant increase in the risk of default since the first-time recognition or an objective indication of impairment, the expected credit losses are to be recognized over the term. In the case of trade receivables, the expected credit losses over the term must always be determined.

Subsequent measurement of financial liabilities, with the exception of derivatives, is carried out at amortized cost.

The adoption of IFRS 9 led to a change in the accounting treatment of impairment losses for financial assets as it replaced the treatment of IAS 39 for recognizing realized losses by recognizing the expected credit losses. Conventional assets and receivables from customers: The Group applies the simplified approach of IFRS 9 for the calculation of expected credit losses, according to which the provision for impairment is always measured in an amount equal to the expected credit losses over the lifetime for customer receivables and contractual assets. To determine the expected credit losses in relation to customer receivables, the Group uses a credit loss projection table based on the historical data of the Group for credit losses, adjusted for future factors in relation to the debtors and the financial environment. In particular, to determine the expected credit losses in respect of contractual assets, account shall be taken of the estimated rate of early termination of contracts, the amount of the clauses in the case of early termination and the relative rate of collectability. The provision for impairment for the Group as at 01/01/2018 was not changed.

## **2.14 Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average 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.

## **2.15 Trade receivables**

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average 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.

## **2.16 Factoring**

Trade and other receivables are reduced by the amounts that have been received in advance under factoring agreements without recourse.

## **2.17 Cash and cash equivalents**

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

## **2.18 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.

## **2.19 Share capital**

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 incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

## **2.20 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.

## **2.21 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 recognized in profit or loss in the period in which they are incurred.

## **2.22 Current and deferred income tax**

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

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Deferred income tax is provided 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.

### **2.23 Trade payables**

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

### **2.24 Employee benefits**

#### **(a) Pension obligations**

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

The regular contributions for defined contribution plans constitute net periodic costs for the year in which they are due and as such are included in staff costs.

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.

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. Past-service costs are recognised immediately in profit or loss.

#### **(b) Termination benefits**

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

Where there is uncertainty about the number of employees who will accept an offer of termination benefits, the Group discloses information about the contingent liability.

## **2.25 Government 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.

## **2.26 Provisions**

Provisions are recognized when:

1. There is present legal or constructive obligation as a result of past events
2. It is probable that an outflow of resources will be required to settle the obligation
3. The amount can be reliably estimated.

### **(a) Warranties**

The Group recognizes 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 recognized as incurred. The Group recognizes 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 recognizes 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 that the contract commitments are met.

## **2.27 Revenue recognition**

### **a) Sales of Services - Construction contracts**

The Group recognizes revenue from a contract when (or as) it fulfils an execution engagement by passing a promised asset or service to a client. An asset is transferred when (or as) the customer acquires control of that asset. The customer acquires control of a good or a service when it can direct its use and receive virtually all the remaining benefits from it. Revenue is

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defined as the amount that the Group expects to be entitled to in exchange for the goods or services it has transferred to a customer, except for amounts received on behalf of third parties. Variable amounts are included in the consideration and are calculated using either the "expected value" method or the "most probable amount" method. The commitment to performance of the contract can be fulfilled either at a specific time or over time.

The fulfilment of a commitment to sell a good or provide a service takes place over a long period when:

a) the client receives and at the same time uses the benefits resulting from the execution by the Group during the execution by the Group,

(b) the execution by the Group creates or strengthens an asset the control of which belongs to the client as the asset is created or enhanced; or

(c) the Group's execution does not entail the creation of an alternative asset for the Group and the Group has an enforceable payment right over the execution that has been completed by the given date.

When the Group performs its contractual obligations by transferring goods or services to a client before the customer pays the consideration or before the payment becomes due, the Group represents the contract as a contractual asset. A conventional asset is the entity's right in exchange for goods or services which it has transferred to a customer such as when the construction services are transferred to the customer before the Group has the right to issue an invoice.

When the customer pays a consideration, or the Group retains a right to a price that is unconditional prior to performing the obligations of the service contract, then the Group represents the contract as a contractual obligation. The contractual obligation is derecognized when the contract obligations are executed, and the revenue is recorded in the statement of comprehensive income.

In the field of integrated IT solutions, revenue from customer contracts mainly concerns the following categories:

- development and implementation services of an integrated software system
- self-rendering software
- cloud services (equipment provision and implementation)
- provision of network interference services
- hardware sales
- sale of software licenses (license)

The revenue from the sale of hardware and software licenses are recognized when the asset is transferred to the customer, when the goods are delivered to and accepted by the customer.

For revenue from the sale of software licenses (licenses) that are accompanied by support services, where the use of software licenses is directly linked to the provision of support services, the recognition of the relevant revenues occurs in the years of service provision.

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Revenue from provision of services is recognized over time either through the straight-line method during the period in which customers receive and at the same time reap the benefits accruing from the provision of the service on the part of the Group or on the consideration the Group must invoice on the basis of the hours worked.

b) Interest

Interest income is recognized on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate. Subsequently, interest is recognized on the impaired value.

c) Dividends

Dividends are recognized when the right to receive payment is established.

## **2.28 Dividend distribution**

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

## **2.29 Earnings per share**

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Group 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 profit attributable to equity holder so the Group (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).

## **2.30 Roundings**

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

# **3. Financial risk management**

## **3.1 Financial risk factors**

INTRASOFT INTERNATIONAL Group, 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.

The financial liabilities of the Group include short-term loans, long-term loans and finance lease agreements, through which the Group finances its working capital and capital expenditure needs. Moreover, the Group manages financial assets, mainly short-term bank deposits arising from operating activities.

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Derivative financial instruments are used 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 analyzed below.

(a) Market risk

**Foreign exchange risk**

The Group provides services and sells goods with contractual amounts denominated to a large extent in euro. Therefore, it is not exposed to large movements in foreign currency exchange rates against its reporting currency, the euro. The Group did not use derivative financial instruments in the years ended 31 December 2020 and 2019 in order to reduce its exposure to foreign currency exchange risk.

Increase in EURO/USD rate by	Effect on net results 2020	Effect on net results 2019
3%	-149.446	-263.093
6%	-298.891	-526.185
9%	-448.337	-789.278
12%	-597.783	-1.052.371

**Price risk**

The Group has limited exposure to changes in the prices of the shares held either for trading or as available for sale financial assets.

**Cash flow and fair value interest rate risk**

The interest-rate risk has been partly mitigated through the conversion of a significant part of borrowings into fixed rate, while it is estimated that during the current financial year the specific risk will be limited since it is considered highly probable that interest rates will remain stable in the medium-term or that will be slightly decreased after the first semester.

The following tables present the sensitivity of the Group's net results in possible fluctuations of the interest rates for the years 2020 and 2019. The analysis takes into consideration borrowings and cash and cash equivalents of the Group as at 31st December 2020 and 2019 respectively.



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Financial instruments in Euro

Increase in interest rates (base units) by	Effect on net results 2020	Effect on net results 2019
25	(79,777)	(107.006)
50	(159,554)	(214.013)
75	(239,331)	(321.019)
100	(319,109)	(428.025)

(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.

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

The Group is not exposed to credit risk concentration, including risk of default, because it effectively deals with various agencies of the European Union and, to a lesser extent, institutions of various European governments. Because of this, the credit risk that the Group faces is not significant.

(c) Liquidity risk

Prudent liquidity management is achieved by an appropriate combination of cash and cash equivalents and approved bank facilities. The Company seeks to manage its liquidity profile to be able to service its maturing debts and to finance capital requirements and maintains a level of cash and cash equivalents deemed sufficient to finance operations. As part of its liquidity risk management, the Company regularly evaluates its projected and actual cash flows and continuously assesses conditions in the financial markets for opportunities to pursue fund-raising activities. Due to the dynamic nature of the underlying businesses, the Company through the Company Treasury has access to funding through the committed credit lines available at the Company level.

The table below summarizes the maturity profile of the Group's financial liabilities at 31 December 2020 and 31 December 2019 based on contractual undiscounted payments.

### **3.2 Capital risk management**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern 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 Group's equity holders' as shown in the consolidated balance sheet plus net debt.

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	01/01-31/12/2020	01/01-31/12/2019
Total borrowings (note 18)	62.916.887,08	57.401.063,52
Less: Cash & cash equivalents (note 15)	(31.006.024,39)	(14.598.541,55)
<b>Net borrowings</b>	<b>31.910.862,69</b>	<b>42.802.521,97</b>
Equity	17.864.459,62	16.031.224,60
<b>Total Capital Employed</b>	<b>49.775.322,31</b>	<b>58.833.746,57</b>
Gearing ratio	<b>64.1%</b>	<b>72,8%</b>

### 3.3 Fair value estimation

The Group provides the required disclosures relating to fair value measurement through the hierarchy into three levels.

On 31 December 2020 the Group had:

- Financial assets at fair value through other comprehensive income EUR 629.034,68 are classified in Level 3.

On 31 December 2019 the Group had:

- Financial assets at fair value through other comprehensive income EUR 539.617,20 are classified in Level 3.

The fair value of financial instruments traded in active markets is based on quoted market rates at the balance sheet date ('Level 1').

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques and assumptions that are based on observable market data at the balance sheet date ('Level 2').

If the fair values of financial instruments that are not traded in an active market are based on valuation methods and assumptions that are not mainly based on observable market data, the instruments are classified in ('Level 3'). Investments in shares, which are not publicly traded and for which the fair value cannot be reliably estimated, are presented at cost less impairment.

### 3.4 Offsetting financial assets and financial liabilities

On 31 December 2020 and 2019 the Group does not have any financial assets and liabilities subject to offsetting, enforceable master netting arrangements and similar agreements.

#### **4. Segment information**

##### **Primary reporting format – business segments**

At 31 December 2020, the Group is organised into one main business segment:

Integrated information technology solutions for government and banking sector

The segment results from continuing operations for the year 2020 and 2019 respectively are as follows:

	1/1-31/12/2020	1/1-31/12/2019
	Integrated information Technology solutions for government and banking sector	Integrated information Technology solutions for government and banking sector
Total gross segment sales	197.292.909,45	178.117.168,28
<b>Total sales</b>	<b>197.292.909,45</b>	<b>178.117.168,28</b>
<b>Operating profit / Segment result</b>	10.571.165,82	7.990.848,30
<b>EBITDA</b>	18.019.565,89	14.468.460,63
<b>Finance income</b>	207.949,12	231.988,98
<b>Finance cost</b>	(5.392.116,16)	(5.066.024,84)
<b>Finance costs net (note 28)</b>	(5.184.167,04)	(4.834.035,86)
<b>Profit before income tax</b>	<b>5.171.404,55</b>	<b>3.157.977,37</b>

Other segment items included in the income statement are as follows:

	1/1-31/12/2020	1/1-31/12/2019
	Integrated information Technology solutions for government and banking sector	Integrated information Technology solutions for government and banking sector
Depreciation of property, plant and equipment (note 5)	1.350.828,07	1.230.775,41
Amortization of intangible assets (Note 7)	2.776.747,14	2.104.667,45
Depreciation of right-of-use assets (Note 9)	3.304.266,70	3.125.450,06
Depreciation of investment property	16.558,16	16.558,16
Impairment of trade receivables (Note 24)	1.126.728,14	432.770,14

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The segment assets and liabilities at 31 December 2020 and 31 December 2019 as well as the capital expenditure for each year are as follows:

	1/1-31/12/2020	1/1-31/12/2019
	Integrated information Technology solutions for government and banking sector	Integrated information Technology solutions for government and banking sector
Assets	196.429.410,57	165.193.123,72
Associates	0,00	0,00
<b>Total assets</b>	<b>196.429.410,57</b>	<b>165.193.123,72</b>
<b>Liabilities</b>	<b>178.564.950,94</b>	<b>149.161.899,11</b>
<b>Capital expenditure</b>	<b>7.273.164,43</b>	<b>6.662.499,88</b>

### Secondary reporting format – geographical segments

The main business segments of the Group operate in three geographical areas. The home-country of the Group -which is also the main operating country-is Luxembourg.

### Information per geographical area:

	Sales		Total assets		Capital expenditure	
	1/1-31/12/2020	1/1-31/12/2019	1/1-31/12/2020	1/1-31/12/2019	1/1-31/12/2020	1/1-31/12/2019
Greece	67.272.956,48	51.234.483,89	95.869.713,65	72.919.597,66	6.229.563,12	4.333.161,34
EU countries	115.728.872,62	101.498.935,21	85.326.322,30	75.114.269,60	85.884,18	2.282.545,41
Other countries	14.291.080,35	25.383.749,18	15.233.374,62	17.159.256,46	957.717,13	46.793,13
<b>Total</b>	<b>197.292.909,45</b>	<b>178.117.168,28</b>	<b>196.429.410,57</b>	<b>165.193.123,72</b>	<b>7.273.164,43</b>	<b>6.662.499,88</b>

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

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An analysis of the Group's revenues is as follows:

	2020	2019
Sales of goods	609.659,55	6.364.920,97
Sales of merchandise	2.386.740,64	2.546.985,00
Sales of services	194.296.509,26	169.205.262,31
<b>Total</b>	<b>197.292.909,45</b>	<b>178.117.168,28</b>

## 5. Property, plant and equipment

	Land	Buildings	Plant & Machinery	Tel. equipment	Motor vehicles	Furniture & fixtures	Total
<b>ACQUISITION COST</b>							
Balance at 1 January 2019	0,00	2.741.930,08	5.780.538,22	912.814,93	113.154,93	3.395.570,68	<b>12.944.008,85</b>
Exchange differences	0,00	0,00	0,00	17.946,28	1.973,42	(92.359,57)	(72.439,87)
Additions	0,00	327.797,25	840.001,65	50.201,29	0,00	131.594,32	1.349.594,51
Disposals	0,00	0,00	(50.713,51)	(48.341,79)	(56.724,79)	(222.942,32)	(378.722,41)
Acquisition of subsidiaries	0,00	0,00	0,00	0,00	0,00	7.590,83	7.590,83
Reclassifications	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Balance at 31 December 2019	<b>0,00</b>	<b>3.069.727,33</b>	<b>6.569.826,36</b>	<b>932.620,70</b>	<b>58.403,56</b>	<b>3.219.453,95</b>	<b>13.850.031,90</b>
<b>ACCUMULATED DEPRECIATION</b>							
Balance at 1 January 2019	0,00	1.576.572,01	5.155.108,48	493.322,11	87.923,16	2.736.472,68	<b>10.049.398,44</b>
Exchange differences	0,00	0,00	0,00	(96.120,65)	1.450,33	8.104,78	(86.565,54)
Depreciation charge	0,00	300.157,25	595.216,37	125.358,09	6.921,32	203.122,37	1.230.775,41
Disposals	0,00	0,00	(12.606,83)	(34.106,37)	(39.994,76)	(156.183,85)	(242.891,82)
Acquisition of subsidiaries	0,00	0,00	0,00	0,00	0,00	627,56	627,56
Reclassifications	0,00	0,00	0,00	135,35	0,00	5,22	140,57
Balance at 31 December 2019	<b>0,00</b>	<b>1.876.729,26</b>	<b>5.737.718,02</b>	<b>488.588,53</b>	<b>56.300,05</b>	<b>2.792.148,76</b>	<b>10.951.484,62</b>
<b>NET BOOK VALUE at 31 December 2019</b>	<b>0,00</b>	<b>1.192.998,07</b>	<b>832.108,34</b>	<b>444.032,17</b>	<b>2.103,51</b>	<b>427.305,20</b>	<b>2.898.547,28</b>

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	Land	Buildings	Plant & Machinery	Tel. equipment	Motor vehicles	Furniture & fixtures	Total
<b>ACQUISITION COST</b>							
Balance at 1 January 2020	0,00	3.069.727,33	6.569.826,36	932.620,70	58.403,56	3.219.453,95	13.850.031,90
Exchange differences	0,00	0,00	0,00	(68.949,46)	(3.761,70)	(15.394,55)	(88.10572)
Additions	0,00	213.137,16	781.522,05	59.363,16	0,00	127.293,10	1.181.315,47
Disposals	0,00	(7.377,30)	(488.878,72)	0,00	0,00	(3.594,29)	(499.850,31)
Acquisition of subsidiaries	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Reclassifications	0,00	0,00	0,00	0,00	0,00	(38.900,58)	(38.900,58)
Balance at 31 December 2020	0,00	3.275.487,19	6.862.469,69	923.034,40	15.741,27	3.327.758,21	14.404.490,76
<b>ACCUMULATED DEPRECIATION</b>							
Balance at 1 January 2020	0,00	1.876.729,26	5.737.718,02	488.588,53	56.300,05	2.792.148,76	10.951.484,62
Exchange differences	0,00	0,00	0,00	(36.354,94)	(3.762,49)	(20.978,04)	(61.095,46)
Depreciation charge	0,00	356.035,09	749.909,77	104.952,42	664,52	139.266,27	1.350.828,06
Disposals	0,00	(7.377,30)	(487.712,47)	0,00	0,00	(7.726,52)	(502.816,29)
Acquisition of subsidiaries	0,00	0,00	0,00	0,00	(38.900,58)	0,00	(38.900,58)
Reclassifications	0,00	0,00	0,00	76.433,38	0,00	(76.433,38)	0,00
Balance at 31 December 2020	0,00	2.225.387,05	5.999.915,32	633.619,39	14.301,50	2,826.277,09	11.699.500,35
<b>NET BOOK VALUE at 31 December 2020</b>	<b>0,00</b>	<b>1.050.100,14</b>	<b>862.554,37</b>	<b>289.415,01</b>	<b>1.439,77</b>	<b>501.481,12</b>	<b>2.704.990,41</b>

Depreciation expense has been disclosed in the captions Cost of Sales, Selling and marketing costs and Administrative expenses as indicated in note 23. There is no amount of borrowing costs or interest which have been capitalized during the year.

The bank borrowings are not secured on building or other PPE assets.

There are no assets held under finance lease.

## 6. Goodwill

<i>Amounts in Euro</i>	
Balance at 1 January 2019	13.572.454,82
Exchange differences	0,00
Balance at 31 December 2019	13.572.454,82
Exchange differences	0,00
Balance at 31 December 2020	13.572.454,82
Net book amount at 31 December 2020	13.572.454,82

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

<i>Amounts in Euro</i>	
<b>Goodwill analysis</b>	
Previous entity of INTRASOFT International before merger	11.362.824,00
INTRASOFT International Scandinavia A.S.	2.209.590,82
<b>TOTAL</b>	<b>13.572.454,82</b>

In order to assess whether there is goodwill impairment as at 31 December 2020, 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 from the above companies has been determined based on value-in-use calculations. The value-in-use reflects the present value of future expected cash flows of the CGU discounted at a rate that reflects the time value of money and the risks associated with the CGU. Cash flow projections reflect the business plans covering the five-year period 2020-2024 which were approved by the Group's Board of Directors. These business plans are based on financial results of 2020 whereas cash flows beyond the five-year period are extrapolated using the perpetuity growth rate as presented below.

The key assumptions used for the most significant CGUs for the period 2021 - 2025 are as follows:

	<b>Intrasoft International SA</b>	<b>Intrasoft International Scandinavia</b>
<b>Revenue growth</b>	4,4 - 7,1%	20,38 – 26,00%
<b>Gross margin</b>	7,7 - 8,6%	36,8 - 57,5%
<b>EBITDA margin</b>	5,3 - 6,2%	17,7 - 23,3%
<b>Perpetuity growth rate</b>	1%	1%
<b>Discount rate</b>	8,47%	8,30%

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

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

## **7. Intangible assets**

Intangible fixed assets are analysed as follows:

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	Development Costs	Trademarks & licenses	Software	Internally-generated software	Customer relationship	Total
<b>ACQUISITION COST</b>						
Balance at 1 January 2019	0,00	661.140,40	11.107.098,44	33.375.779,70	1.707.484,00	46.851.502,53
Exchange differences	0,00	0,00	2.338,86	34.035,33	0,00	36.374,19
Additions	1.340.877,98	0,00	1.355.083,28	2.616.944,11	0,00	5.312.905,37
Acquisition of subsidiaries	0,00	0,00	0,00	332.100,00	0,00	332.100,00
Reclassifications	0,00	0,00	762.880,59	(762.880,59)	0,00	0,00
Balance at 31 December 2019	1.340.877,98	661.140,40	13.227.401,17	35.595.978,55	1.707.484,00	52.532.882,10
<b>ACCUMULATED DEPRECIATION</b>						
Balance at 1 January 2019	0,00	0,00	10.030.598,48	29.193.625,16	1.707.483,98	40.931.707,62
Exchange differences	0,00	0,00	1.389,10	16.167,70	0,00	17.556,80
Depreciation charge	0,00	0,00	948.443,92	1.156.223,53	0,00	2.104.667,45
Acquisition of subsidiaries	0,00	0,00	0,00	39.034,85	0,00	39.034,85
Reclassifications	0,00	0,00	621.258,30	(621.258,30)	0,00	0,00
Balance at 31 December 2019	0,00	0,00	11.601.689,79	29.783.792,94	1.707.483,98	43.092.966,72
<b>NET BOOK VALUE at 31 December 2019</b>	<b>1.340.877,98</b>	<b>661.140,40</b>	<b>1.625.711,38</b>	<b>5.812.185,61</b>	<b>0,02</b>	<b>9.439.915,38</b>

	Development Costs	Trademarks & licenses	Software	Internally-generated software	Customer relationship	Total
<b>ACQUISITION COST</b>						
Balance at 1 January 2020	1.340.877,98	661.140,40	13.227.401,17	35.595.978,55	1.707.484,00	52.532.882,10
Exchange differences	(118.228,92)	0,00	(9.062,15)	(131.873,48)	0,00	(259.164,55)
Additions	848.950,17	0,00	825.457,50	4.417.441,30	0,00	6.091.848,97
Disposals	0,00	0,00	(99.740,01)	(32.000,00)	0,00	(131.740,01)
Reclassifications	(1.222.649,06)	0,00	238.946,00	983.703,06	0,00	0,00
Balance at 31 December 2020	848.950,17	661.140,40	14.183.002,51	40.833.249,44	1.707.484,00	58.233.826,51
<b>ACCUMULATED DEPRECIATION</b>						
Balance at 1 January 2020	0,00	0,00	11.601.689,79	29.783.792,94	1.707.483,98	43.092.966,72
Exchange differences	0,00	0,00	(8.110,47)	(85.456,36)	0,00	(93.566,84)
Depreciation charge	0,00	0,00	899.340,54	1.877.406,60	0,00	2.776.747,14
Disposals	0,00	0,00	(99.740,01)	0,00	0,00	(99.740,01)
Reclassifications	0,00	0,00	84.309,33	(84.309,33)	0,00	0,00
Balance at 31 December 2020	0,00	0,00	12.477.489,18	31.491.433,85	1.707.483,98	45.676.407,01
<b>NET BOOK VALUE at 31 December 2020</b>	<b>848.950,17</b>	<b>661.140,40</b>	<b>1.705.513,33</b>	<b>9.341.815,59</b>	<b>0,02</b>	<b>12.557.419,50</b>



## 8. Investment property

<i>Amounts in Euro</i>	31/12/2020	31/12/2019
<b>Cost</b>		
Balance at 1 <sup>st</sup> January	720.794,52	720.794,52
Addition	0,00	0,00
Disposal	0,00	0,00
Exchange differences	0,00	0,00
Transfer from PPE	0,00	0,00
Transfer (to) PPE	0,00	0,00
Balance at 31 <sup>st</sup> December	720.794,52	720.794,52
<b>Accumulated Depreciation</b>		
Balance at 1 <sup>st</sup> January	30.356,63	13.798,47
Depreciation charge	16.558,16	16.558,16
Impairment	0,00	0,00
Exchange differences	0,00	0,00
Transfer from PPE	0,00	0,00
Transfer (to) PPE	0,00	0,00
Balance at 31 <sup>st</sup> December	46.914,79	30.356,63
<b>NET BOOK VALUE at 31<sup>st</sup> December</b>	<b>673.879,73</b>	<b>690.437,89</b>

The investment property relates to:

Land rented to INTRACOM TELECOM SA. Rental income from investment properties for 2020 amounted to EUR 31.964,40 (2019: EUR 36.882,00). The operating expenses related to the land amounted to EUR 1.427,44 (2019: EUR 852,12). The Group estimated the fair value of its property as at 31 August 2011. Impairment losses were recorded in the 2011 year's profit or loss amounting to EUR 250.000,00.

In January 2018 the Group proceeded to purchase a property in Bulgaria and more specifically the office No.5, with a built-up area of 433,55 sq. occupying the entire 4<sup>th</sup> floor of the "OFFICE BUILDING" built in zoned land of Sofia city. The determined Market Value of the real estate as estimated on 24 January 2018 is BGN 983.800,00 equivalent to EUR 503.000,00. No rental income from investment properties and operating expenses related to the building existing for 2019. For 2020 the rental income from investment properties amounted to EUR 31.098,22 and operating expenses related to the building amounted to EUR 561,24.

## 9. Leases

### Right-of-Use Assets

The right-of-use assets were recognized at an amount equal to the lease liability and adjusted for the amount of prepaid expenses standing on the balance sheet as of that date. The respective amount equals to Euro 10.288.661,90 and was reclassified to the right-of-use asset at 1 January 2019.

The Group leases mainly offices, warehouses, equipment and vehicles. Lease agreements are usually made for specified periods but may also include extension or termination rights. Extension rights that can only be exercised by the Group are included during the lease only in

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cases where there is a very high certainty that the Group will exercise these rights. Respectively, the rights of the Group for early termination of the contract are not taken into account when the Group considers with high certainty that it does not exercise them.

Contracts that include such rights mainly concern offices and vehicles. In most cases, the Group's assessment was that the rights would not be exercised. For vehicles, the Group's assessment was based on historical data but also on the Group's established practice. For the offices, the Group also examined the strategic importance of leased premises, the importance of the improvements it has made in these premises as well as the market prices for leases of similar properties.

<i>Right-of-use assets</i>	
<b>Balance at 1 January 2020</b>	<b>8.472.696,06</b>
Additions	3.688.339,68
Depreciation	(3.304.266,70)
Impairment	0,00
Acquisition of subsidiaries	0,00
Termination or modification of agreements	(355.446,95)
<b>Balance at 31 December 2020</b>	<b>8.501.322,08</b>
(i) Amounts recognised relate to the following underlying assets	
Right-of-use assets	
Land	0,00
Buildings	5.560.481,26
Plant & Machinery	0,00
Telecommunications equipment	0,00
Motor vehicles	2.873.242,65
Furniture and fixtures	67.598,17
<b>Total</b>	<b>8.501.322,08</b>
(ii) Amounts recognised in the statement of comprehensive Income	
<b><u>Depreciation charge of right-of-use assets</u></b>	
Buildings	(1.751.343,52)
Plant & Machinery	0,00
Telecommunications equipment	0,00
Motor vehicles	(1.522.634,10)
Furniture and fixtures	(30.289,09)
<b>Total</b>	<b>(3.304.266,71)</b>

### **Finance lease receivables**

The sublease terms related to building of Romanian Branch with client is for the major part of the economic life of underlying asset even if title is not transferred. The Group derecognised the right of use asset (to the extent that it is subject to the sub-lease) and recognised a finance lease receivable (net investment in the lease).

### **10. Investment in associates**

The interest held in associates as at 31 December 2020 is as follows:

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Entity Name	Country of incorporation	Net Book Value 31/12/2019	Net Equity 31/12/2019	Profit / (Loss) 31/12/2019	Interest held (%) 31/12/2019
ADVANCED TRANSPORT TELEMATICS SA	Greece	557.411,42	1.114.822,85	33.695,54	50,00%
STELSTATH	Greece	3.149,35	(89.017,69)	(1.157,95)	5%
RURAL CONNECT BROADBAND	Greece	127.506,79	1.179.703,67	(465.813,15)	10%
INCELLIGENT Private Company	Greece	427.664,66	463.788,19	38.323,32	20%
<b>Total</b>		<b>1.115.732,23</b>			

Entity Name	Country of incorporation	Net Book Value 31/12/2020	Net Equity 31/12/2020	Profit / (Loss) 31/12/2020	Interest held (%) 31/12/2020
ADVANCED TRANSPORT TELEMATICS SA	Greece	468.803,07	937.606,15	(177.216,70)	50,00%
STELSTATH	Greece	7.404,80	64.340,14	(25.677,55)	5%
RURAL CONNECT BROADBAND	Greece	1.915,47	(21.316,27)	(1.201.019,94)	10%
INCELLIGENT Private Company	Greece	422.064,66	255.387,22	(28.000,00)	20%
<b>Total</b>		<b>900.188,01</b>			

During the year 2014, the Group established a 50% held subsidiary Company with the name of Advanced Transport Telematics SA in Greece.

During the year 2015, the Group proceeded to payments of EUR 26.000 of its subsidiary Advanced Transport Telematics SA which will be used to increase the share capital.

During the year 2016, the Group contributed EUR 50.000 to its subsidiary Advanced Transport Telematics SA.

On March 30th, 2017 the Group paid the amount of 241.500,00 euros, for the acquisition of 24.150 (10% of total capital) ordinary registered shares (with a nominal value of 10 euros each) of the company under the name RURAL CONNECT BROADBAND NETWORKS SPV.

On 5<sup>th</sup> May 2017 the Group participate by 5% to the company "THESSALONIKI's CONTROLLED PARKING SYSTEM S.A." with the distinctive title "STELSTATH", with the amount of EUR 1.200,00.

During the year 2018, the Group established a 40% held subsidiary in Greece with the name of WEMETRIX. The Group paid the amount of 299.000,00 euros, for the acquisition of 10.000 (40% of total capital) ordinary registered shares (with a nominal value of 10 euros each).

On 7th October 2019 the Group paid the amount of EUR 150.000,00 for the acquisition of 12.500 shares of the company (20% of total capital), so acquired control of the company and transferred to subsidiaries.

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During the year 2019 and more specifically on April 9th, 2019 the Group paid the amount of EUR 200.000,00, for the acquisition of 178 preference registered shares (with a nominal value of 1 euro each) of the company under the name INCELLIGENT Private Company. INCELLIGENT is a start-up company specializing in building Data-Driven, Predictive & Prescriptive Analytics solutions by exploiting the most recent advancements in Artificial Intelligence (AI), Machine Learning (ML) and Deep Learning (DL) technologies. This new investment is a bold step forward, further enhancing our products and services with Data Analytics and Artificial Intelligence features, providing predictive and prescriptive insights to our customers. On 24th April 2019 the Group acquired 222 preference registered shares (with a nominal value of 1 euro each) of the company under the name INCELLIGENT Private Company of amount of EUR 220,000.

In 2020 the Group paid EUR 50 to the company "THESSALONIKI's CONTROLLED PARKING SYSTEM S.A." with the distinctive title "STELSTATH".

<i>Amounts in Euro</i>	31/12/2020	31/12/2019
<b>Balance at 1 January</b>	<b>1.115.732,23</b>	<b>993.567,30</b>
Acquisition of subsidiaries and associates	0,00	0,00
Transfer from / (to) subsidiaries	0,00	(299.000,00)
Additions	50,00	420.000,00
Share of results (after tax & minority interests)	(215.594,22)	1.164,93
<b>Balance at 31 December</b>	<b>900.188,01</b>	<b>1.115.732,23</b>

## 11. Financial assets at fair value through other comprehensive income

Financial assets are categorized in the tables below:

<i>Amounts in Euro</i>	2019
<b>Opening Balance 1st January 2019</b>	<b>694.675,70</b>
Disposals/write-offs	(604.500,70)
Fair value adjustments (note 17)	437.741,20
Additions	11.701,00
<b>Balance at the end of period</b>	<b>539.617,20</b>
<b>Non-current portion</b>	<b>539.617,20</b>
<u>Unlisted securities</u>	
Intranet	134.537,86
Edap-Etep Kritis	10.570,86
Akropolis Park	216.353,91
Odyssey Partners S.C.A. SICAR	178.154,57
<b>Total</b>	<b>539.617,20</b>
<b>Financial assets at fair value through OCI are denominated in the following currency:</b>	
<b>Euro</b>	<b>539.617,20</b>

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<i>Amounts in Euro</i>	<b>2020</b>
<b>Opening Balance 1st January 2020</b>	<b>539.617,20</b>
Disposals/write-offs	0,00
Fair value adjustments (note 17)	35.589,32
Additions	53.828,16
<b>Balance at the end of period</b>	<b>629.034,68</b>
<b>Non-current portion</b>	<b>629.034,68</b>
<u>Unlisted securities</u>	
Intranet	134.537,86
Edap-Etep Kritis	10.570,86
Akropolis Park	216.353,91
Marathon II Aedakes	50.000,00
Odyssey Partners S.C.A. SICAR	217.572,05
<b>Total</b>	<b>629.034,68</b>
<b>Financial assets at fair value through OCI are denominated in the following currency:</b>	
<b>Euro</b>	<b>629.034,68</b>

The Group in 2018 had chosen to classify amounts of € 624K as financial assets at fair value through other comprehensive income, the Fair value adjustments of € 413 thousand was recorded in the Group's Fair value reserves (note 15ii).

During 2019, the Group proceeded to disposal of 1.175.360 shares of the Attika Bank, at average selling price EUR 0,51431 each and total value of EUR 604.500,70 and the impact of fair value adjustment of EUR 473.330,52 was recorded in the Group's Fair value reserves.

In 2020, the addition relates to the acquisition of investment of Greek Venture Capital Mutual Fund "Marathon II Aedakes" which amounts to EUR 50.000,00.

Fair value of unlisted securities represents a Level 3 measure. Investments in unlisted shares are shown at cost less impairment.

Entity Name	Country of incorporation	Cost Book Value 31/12/2020	Impaired amount 31/12/2020	Net Book Value 31/12/2020
Intranet	Greece	270.000,00	135.462,14	134.537,86
Edap-Etep Kritis	Greece	11.738,82	1.167,96	10.570,86
Akropolis Park	Greece	313.991,38	97.637,47	216.353,91
Marathon II Aedakes	Greece	50.000,00	0,00	50.000,00
Odyssey Partners S.C.A. SICAR	Luxembourg	202.042,89	(15.529,16)	217.572,05
<b>Total</b>		<b>847.773,09</b>	<b>218.738,41</b>	<b>629.034,68</b>

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**12. 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:

<i>Amounts in Euro</i>	31/12/2020	31/12/2019
<b>Deferred tax assets:</b>		
Deferred tax assets to be recovered after more than 12 months	(5.113,59)	(138.742,23)
Deferred tax assets to be recovered within 12 months	0,00	4.639,83
	<b>(5.113,59)</b>	<b>(134.102,40)</b>
<b>Deferred tax liabilities:</b>		
Deferred tax liabilities to be settled after more than 12 months	(235.646,33)	0,00
Deferred tax liabilities to be settled within 12 months	0,00	0,00
	<b>(235.646,33)</b>	<b>0,00</b>
	<b>(240.759,92)</b>	<b>(134.102,40)</b>

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

<i>Amounts in Euro</i>	31/12/2020	31/12/2019
Balance at beginning of period:	(134.102,40)	(65.580,44)
Exchange differences	0,00	0,00
Charged to equity	(106.657,51)	(68.521,96)
Income statement charge	0,00	0,00
Balance at the end of period	<b>(240.759,92)</b>	<b>(134.102,40)</b>

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

	Accelerated tax depreciation	Fair value gains	Other	Total
<b>Deferred tax liability</b>				
Balance at 31 December 2019	0,00	0,00	0,00	0,00
Charged / (credited) to the income statement	0,00	0,00	0,00	0,00
Charged to equity	0,00	0,00	0,00	0,00
Balance at 31 December 2020	0,00	0,00	0,00	0,00

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	Provisions – Impairment losses	Tax losses	Other	Total
<b>Deferred tax asset</b>				
Balance at 31 December 2019	0,00	14.789,18	(148.891,59)	(134.102,40)
Charged / (credited) to the income statement	0,00	0,00	0,00	0,00
Charged to equity	0,00	0,00	(106.657,51)	(106.657,51)
Balance at 31 December 2020	0,00	14.789,18	(255.549,10)	(240.759,92)

### 13. Trade and other receivables

<i>Amounts in Euro</i>	31/12/2020	31/12/2019
Trade receivables	46.211.992,58	47.568.757,20
Less: provision for impairment of receivables	(10.640.739,68)	(9.517.960,04)
<b>Trade receivables - net</b>	<b>35.571.252,90</b>	<b>38.050.797,16</b>
Receivables from related parties	5.485.266,35	6.240.020,93
Loans to related parties	2.201.115,00	2.308.115,00
Advances to suppliers	132.457,49	94.467,50
Prepaid expenses	2.085.483,28	1.872.754,46
Accrued income	72.936.914,76	55.276.541,63
Other receivables	1.862.075,27	1.554.487,70
<b>Total</b>	<b>120.274.565,06</b>	<b>105.397.184,38</b>
Non-current portion	2.403.844,55	2.712.160,34
Current portion	117.870.720,51	102.685.024,04
<b>Total</b>	<b>120.274.565,06</b>	<b>105.397.184,38</b>

The carrying value of trade and other receivables classified at amortised approximate fair value.

Trade receivables are non-interest bearing and are generally on 90 to 120 days' terms. The other classes within trade and other receivables do not contain impaired assets. The Group does not obtain any collateral as security.

Accrued Income represents the difference between revenue invoiced and revenue recognized.

There is no concentration of credit risk in relation to trade receivables, since the Group has a great 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.

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

	Individually impaired
<b>Opening Balance 1st January 2019, according to IFRS 9</b>	<b>9.085.637,16</b>
Increase in loss allowance recognized in profit or loss during the period	566.225,46
Utilised during the period	(123.646,24)
Unused amounts reversed	(9.809,08)
Exchange differences	(447,26)
<b>Balance at 31 December 2019</b>	<b>9.517.960,04</b>
Increase in loss allowance recognized in profit or loss during the period	1.206.699,48
Utilised during the period	0,00
Unused amounts reversed	(79.971,34)
Exchange differences	(3.948,50)
<b>Balance at 31 December 2020</b>	<b>10.640.739,68</b>

As at 31 December 2020, the Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected credit loss provision for all receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward-looking information.

Trade and other receivables are analyzed in the following currencies:

	31/12/2020	31/12/2019
Euro (EUR)	104.993.458,67	84.115.361,50
US Dollar (USD)	10.464.884,67	15.887.323,95
GBP	246.320,91	0,00
Bulgarian Leva (BGN)	14.373,28	15.819,21
DKK	1.196.292,08	3.500.933,98
Jordan Dinar (JOD)	2.787.144,42	1.465.189,08
RON	105.995,60	0,00
ZAR	0,00	5.943,69
Other	466.095,43	406.612,96
	<b>120.274.565,06</b>	<b>105.397.184,38</b>



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**14. Inventories**

	31/12/2020	31/12/2019
Merchandise	414.265,30	808.550,31
Other	82.549,49	90.531,94
<b>Total</b>	<b>496.814,79</b>	<b>899.082,25</b>
<b>Less: Provision for obsolete, slow-moving and damaged stock:</b>		
Merchandise	300.854,96	300.854,96
Other	0,00	0,00
<b>Total</b>	<b>300.854,96</b>	<b>300.854,96</b>
<b>Total net realisable value</b>	<b>195.959,83</b>	<b>598.227,29</b>

The movement of the provision is as follows:

	31/12/2020	31/12/2019
<b>Analysis of provision</b>	<b>300.854,96</b>	<b>300.854,96</b>
Opening balance	0,00	0,00
Additional provision for the exercise	(0,00)	(0,00)
<b>Closing balance</b>	<b>300.854,96</b>	<b>300.854,96</b>

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**15. Cash and cash equivalents**

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

	31/12/2020	31/12/2019
Cash in bank and in hand	30.141.300,24	12.977.685,11
Cash deposit as collateral	864.724,15	786.441,78
Short-term bank deposits	0,00	834.414,66
<b>Total</b>	<b>31.006.024,39</b>	<b>14.598.541,55</b>

The effective interest rate on short-term time deposits for the Group fluctuating between - 0,50%~0,60% depending on the amount of the deposit and the time (2019: -0,01%~0,42%).

Cash and cash equivalents are analysed in the following currencies:

	31/12/2020	31/12/2019
Euro (EUR)	26.944.245,21	12.256.457,69
US Dollar (USD)	3.389.814,79	1.243.926,14
GBP	219.091,48	184.011,55
Romanian RON	3.355,86	10.915,57
DKK	16.091,18	20.699,71
Jordanian Dinar (JOD)	216.697,77	638.769,53
Bulgarian Leva	49.176,05	38.854,15
Other	167.552,05	204.907,21
<b>Total</b>	<b>31.006.024,39</b>	<b>14.598.541,55</b>

**16. Share capital**

	Number of ordinary shares	Share capital	Share premium	Total
<b>Balance at 31 December 2019</b>	62.104	1.552.600,00	0,00	1.552.600,00
<b>Balance at 31 December 2020</b>	62.104	1.552.600,00	0,00	1.552.600,00

On 31 December 2020 the Group's share capital amounts to EUR 1.552.600,00 divided into 62.104 of which INTRACOM Holdings SA holds 62.104 shares with a nominal value of EUR 25,00 each. All shares are fully paid-in up.

## 17. Reserves

	Statutory reserves	Special reserves	Tax free reserves	Extraordinary reserves	Reserves for actuarial gain / losses	Other reserves	Total
Balance at 1 January 2019	560.192,41	241.210,57	8.836.077,48	26.401,37	(1.160.458,71)	(4.243.259,56)	4.260.163,56
Transfer from retained earnings	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Transfer to retained earnings	0,00	0,00	(272.500,00)	0,00	0,00	0,00	(272.500,00)
Actuarial gain / losses (Note 19)	0,00	0,00	0,00	0,00	(187.145,56)	0,00	(187.145,56)
Balance at 31 December 2019	560.192,41	241.210,57	8.563.577,48	26.401,37	(1.347.604,27)	(4.243.259,56)	3.800.518,00
Transfer from retained earnings	3.108,00	0,00	0,00	0,00	0,00	0,00	3.108,00
Transfer to retained earnings	0,00	0,00	274.150,00	0,00	0,00	0,00	274.150,00
Actuarial gain / losses (Note 19)	0,00	0,00	0,00	0,00	(336.545,91)	0,00	(336.545,91)
Balance at 31 December 2020	563.300,41	241.210,57	8.837.727,48	26.401,37	(1.684.150,18)	(4.243.259,56)	3.741.230,09

### (a) Statutory reserves

By Luxemburg law is required the Group to appropriate annually, to a legal reserve, an amount equal to 5% of its statutory net profit until the aggregate reserve reaches 10% of the subscribed share capital. Such a reserve is not available for distribution. The cap of 10% of the subscribed share capital (note 17) has been reached and therefore the Legal Reserve amounts 155.260,00€. Similar legislations are in force for the other companies of the Group.

### (b) Special reserves

The special reserve includes amounts that were created following resolutions of the Annual General meetings, have no specific purpose and can therefore be used for any reason following approval from the Annual General meeting, as well as amounts, which 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 their distribution or capitalisation.

### (c) Tax free reserve

#### Tax-free reserves under special laws

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 development laws in force each time. In other words, this reserve is created from profits for which no taxes calculated or paid.

#### 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 above-mentioned 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.

The Group does not intend to distribute the balance of these reserves and therefore has not calculated the tax liability that would arise from the distribution.

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**(d) Extraordinary reserve**

Extraordinary reserves include amounts of reserves formed following resolutions of Ordinary General Meetings, have no specific purpose and can therefore be used for any purpose upon relevant resolution of the Ordinary General Meeting, as well as amounts of reserves formed based on provisions of the Greek law. The above extraordinary reserves have been formed from taxed profits and are therefore not subject to any additional taxation in case of their distribution or capitalization.

**(e) Other reserves**

The total amount of EUR (4.243.259,56) consist of consequences of the cross-border merger.

**(f) Fair value reserve**

Fair value reserve is analysed as follows:

	FVOCI financial assets	Currency Translation reserve	Total
Balance at 1 January 2019	(1.293.475,55)	783.153,10	(510.322,44)
Fair value adjustments	437.741,20	0,00	437.741,20
Currency translation differences	0,00	151.608,29	151.608,29
Transfer of FOCI accumulated gains/losses to retained earnings due to disposal	677.585,59	0,00	677.585,59
Other	0,00	4.741,24	4.741,24
Balance at 31 December 2019	(178.148,77)	939.502,63	761.353,87
Fair value adjustments	35.589,32	0,00	35.589,32
Transfer of FOCI accumulated gains/losses to retained earnings due to disposal	0,00	0,00	0,00
Currency translation differences	0,00	(517.086,60)	(517.086,60)
Balance at 31 December 2020	(142.559,45)	422.416,04	279.856,59

**18. Borrowings**

Amounts in Euro	31/12/2020	31/12/2019
<b>Non-current borrowings</b>		
Bank borrowings	4.444.445,00	0,00
Debentures	36.902.841,03	40.588.144,99
<b>Total non-current borrowings</b>	<b>41.347.286,03</b>	<b>40.588.144,99</b>
<b>Current borrowings</b>		
Bank overdrafts	977.668,25	869.570,16
Bank borrowings	16.906.628,84	13.517.021,13
Debentures	3.685.303,96	2.426.327,23
<b>Total current borrowings</b>	<b>21.569.601,06</b>	<b>16.812.918,53</b>
<b>Total borrowings</b>	<b>62.916.887,08</b>	<b>57.401.063,52</b>

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The carrying value of loans and borrowings classified as financial liabilities measured at cost approximates fair value.

On 25<sup>th</sup> January 2018, an agreement was signed between INTRASOFT INTERNATIONAL SA, INTRACOM HOLDINGS SA (as Guarantor) and a consortium of syndicate banks, consisting of: National Bank of Greece SA (London Branch), Alpha Bank AE (London Branch), Piraeus Bank SA (Frankfurt Branch) and Eurobank Private Bank Luxembourg SA. The purpose of the agreement was to refinance short-term debt of EUR 46.250.000 with a long-term debt which will be gradually repaid within a period of 5 years. A grid is used to determine the applicable margin of the loan based on the Group's leverage ratio. Current margin is 5.25%.

The levels of weighted average interest rate of 2020 (4.95%) are lower than those of 2019 (5.27%) due to the gradual reduction of the country risk that affects the Greek banking system and improving the Group's financial indicators. In 2020, the Group increased its loan balances to support the continuing growth and address the working capital requirements stemming from new projects and the increased backlog.

The refinancing of short-term debt will have favorable effects on the structure of the Group's balance sheet and liquidity ratios.

The Group assesses that interest rates will continue the gradual reduction at the first half of 2021 while for the second half, the Group will try to take advantage of the favorable conditions to further reduce borrowing costs.

The Group has approved credit lines for working capital financing purposes and issuances of letters of guarantees more than EUR 117 million. All above lines are reviewed on an annual basis and all of them are guaranteed by INTRACOM SA Holdings.

	2020	2019
Euro (EUR)	59.577.142,40	54.211.154,33
US Dollar (USD)	2.684.386,75	3.189.909,19
Jordanian Dinars (JOD)	655.357,94	0,00
<b>Total</b>	<b>62.916.887,08</b>	<b>57.401.063,52</b>

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**19. Retirement benefit obligations**

The movement of the net liability as presented in the balance sheet and the basic assumptions used in the actuarial study as at 31 December 2020 and 2019 are as follows:

	2020	2019
<b>Balance sheet obligations for:</b>		
Pension benefits	5.419.828,65	4.581.056,30
<b>Total</b>	<b>5.419.828,65</b>	<b>4.581.056,30</b>
<b>Income statement charge for (Note 25):</b>		
Pension benefits	395.948,92	339.583,85
<b>Total</b>	<b>395.948,92</b>	<b>339.583,85</b>
<b>Actuarial (gains) / losses net of taxes (OCI)</b>		
Pension benefits	(336.545,91)	(187.145,56)
<b>Total</b>	<b>(336.545,91)</b>	<b>(187.145,56)</b>
<b>The amounts recognized in the Balance Sheet are as follows:</b>		
Present value of funded obligations	5.419.828,65	4.581.056,30
Present value of unfunded obligations	0,00	0,00
<b>Liability in the Balance Sheet</b>	<b>5.419.828,65</b>	<b>4.581.056,30</b>
<b>The amounts recognized in the income statement are as follows:</b>		
Current service cost	345.018,92	279.232,59
Interest cost	50.930,00	60.351,26
<b>Total included in employee benefit expense (Note 25)</b>	<b>395.948,92</b>	<b>339.583,85</b>
<b>Total Charge allocated as follows</b>		
Cost of sales	395.948,92	339.583,85
<b>Total</b>	<b>395.948,92</b>	<b>339.583,85</b>
<b>Movement in the liability recognized in the balance sheet</b>		
<b>Balance at the beginning of period</b>	<b>4.581.056,30</b>	<b>3.919.972,15</b>
Total expense included in employee benefit expense	395.948,92	339.583,85
<b>Balance at the end of period</b>	<b>4.977.005,22</b>	<b>4.259.556,00</b>
<b>Actuarial (gain) / loss from change in financial assumptions</b>		
Actuarial (gain) / loss from change in financial assumptions	465.142,82	224.948,52
<b>Actuarial (gain) / loss from change in experience</b>		
Actuarial (gain) / loss from change in experience	(22.319,39)	96.551,78
<b>Total</b>	<b>442.823,43</b>	<b>321.500,30</b>
<b>Balance at the end of period</b>	<b>5.419.828,65</b>	<b>4.581.056,30</b>

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Financial Assumptions

	31/12/2020	31/12/2019
Discount rate	0,60%	1,15%
Future salary increases	2.30%	2,30%
Future pension increases	1.50%	1,50%

Sensitivity analysis

The use of a discount rate plus 50BP will lead to an actuarial liability lower by 8% and the opposite, a discount rate minus 50BP will lead to an actuarial liability higher by 9%.

The use of a salary rate plus 50BP will lead to an actuarial liability higher by 7% and the opposite, a salary rate minus 50BP will lead to an actuarial liability lower by 7%.

	Defined Benefit Obligation	%
Discount rate plus 50BP	4.844.707	-8%
Discount rate minus 50BP	5.744.568	9%
Salary rate plus 50BP	5.645.655	7%
Salary rate minus 50BP	4.913.246	-7%

## 20. Provisions

Provision referring to Group are recognized if the following are met: (a) legal or implied liabilities exist because of past events, (b) there is a possibility of settlement that will require the outflow if economic benefits and (c) the amount of the liability can be measured reliably. All provisions are reviewed at each balance-sheet date and are adjusted accordingly so that they reflect the present value of expenses.

The movements of the Long-term provisions are analyzed as follows:

	Loss at completion (projects)	Tax liability provision	Total
Balance at 1 January 2019	0,00	2.246.037,67	2.246.037,67
Charged/(credit) to the income statement	0,00	416.433,32	416.433,32
Unused amounts reversed	0,00	(130.000,00)	(130.000,00)
Balance at 31 December 2019	0,00	2.532.470,99	2.532.470,99
Charged/(credit) to the income statement	0,00	0,00	0,00
Unused amounts reversed	0,00	0,00	0,00
Balance at 31 December 2020	0,00	2.532.470,99	2.532.470,99

Tax liability relate to future obligations that may result from tax audits.

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The movements of the Short-term Provisions are analyzed as follows:

	Staff related	Loss at completion (projects)	Tax liability provision	Other	Total
Balance at 1 January 2019	4.200.629,64	50.383,19	508.000,00	99.045,34	4.858.058,17
Charged/(credit) to the income statement	5.547.023,40	140.948,61	0,00	219.031,29	5.907.003,30
Unused amounts reversed	(719.934,79)	0,00	883.566,68	0,00	163.631,89
Utilized during the year	(4.771.516,76)	(142.856,15)	0,00	0,00	(4.914.372,91)
Balance at 31 December 2019	4.256.201,49	48.475,65	1.391.566,68	318.076,63	6.014.320,45
Charged/(credit) to the income statement	2.780.132,22	0,00	0,00	25.178,43	2.805.310,65
Additional provisions	2.110.175,87	238.362,21	0,00	48,25	2.348.586,33
Unused amounts reversed	(997.953,25)	(4.511,61)	0,00	(23.076,63)	(1.025.541,49)
Utilized during the year	(3.347.320,09)	(220.410,22)	0,00	(71.111,10)	(3.638.841,41)
Balance at 31 December 2020	4.801.236,24	61.916,03	1.391.566,68	249.115,58	6.503.834,53

The staff related provisions comprise short term accrued employee benefit like provisions for leave pay and provisions for bonus.

## 21. Trade and other payables

Trade and Other Payables are analysed as follows:

Amounts in Euro	31/12/2020	31/12/2019
Trade payables	21.863.106,42	17.797.336,53
Amounts due to related parties (Note 33)	10.541.289,93	9.723.063,88
Accrued Expenses	12.318.157,34	10.212.789,16
Social security and other taxes	10.688.339,94	7.272.918,45
Advances from customers	29.270.538,51	17.883.650,37
Deferred revenue	5.854.816,09	6.219.388,89
Other payables	775.521,77	636.271,83
<b>Total</b>	<b>91.311.770,00</b>	<b>69.745.419,11</b>
Non-current portion	97.796,47	0,00
Current portion	91.213.973,53	69.745.419,11
<b>Total</b>	<b>91.311.770,00</b>	<b>69.745.419,11</b>

The carrying value of trades and other payables classified as financial liabilities measured at amortised cost approximates fair value.



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Trade and other payables are denominated in the following currencies:

	31/12/2020	31/12/2019
Euro (EUR)	82.594.137,41	60.062.180,54
US Dollar (USD)	6.188.788,54	5.288.897,52
Pound Sterling (GBP)	23.284,75	0,00
Bulgarian Leva (BGN)	3.228,50	10.707,26
Romanian (RON)	100.881,85	0,00
Jordan Dinar (JOD)	872.182,67	3.540.473,76
Danish Corona (DKK)	1.474.503,67	796.497,11
Other	54.762,61	46.662,92
<b>Total</b>	<b>91.311.770,00</b>	<b>69.745.419,11</b>

## 22. Lease Liabilities

Lease liabilities as to right-of-use assets of the Group are analysed as follows:

<b>Lease liabilities</b>	
<b>Balance at 1 January 2020</b>	8.806.916,63
Additions	3.681.850,36
Interest	386.494,56
Payments	(3.508.111,32)
Acquisition of subsidiaries	0,00
Termination of agreements	(348.807,99)
<b>Balance at 31 December 2020</b>	<b>9.018.342,24</b>
Current lease liabilities	2.905.115,10
Non-current lease liabilities	6.113.227,14

The finance lease liabilities payable maturities are as follows:

<b>Amounts in Euro</b>	<b>31/12/2020</b>
Not later than one month	293.635,66
Later than one month and not later than three months	457.945,03
Later than three months and not later than one year	2.153.534,39
Later than one year and not later than five years	6.113.227,14
<b>Total</b>	<b>9.018.342,24</b>

When measuring lease liabilities, the Group discounted lease payments using its incremental borrowing rate at 1 January 2020 amounting to 4.95%.

There were no significant issues, repurchases and repayments of lease liabilities for the year ended 2020.

The amounts recognized in the statement of comprehensive income were as follows:

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	2020
Variable lease payments not included in lease liabilities	223.828,85
Interest on lease liabilities	386.494,56
Expenses relating to short-term leases	423.558,58
Expenses relating to leases of low-value assets, excluding short-term lease of low-value assets	9.924,63

### 23. Expenses by nature

The allocation of expenses to cost of sales, selling and marketing costs and administrative expenses is as follows:

<i>Amounts in Euro</i>	Note	1/1-31/12/2020	1/1-31/12/2019
Employee benefit expense	25	97.740.412,08	88.744.857,31
Costs of inventories recognized as expense		5.297.646,64	11.453.115,34
Depreciation of property, plant and equipment:	6	1.350.828,07	1.230.936,66
Depreciation of right-of-use assets	9	3.304.266,70	3.125.450,06
Depreciation of investment property	8	16.558,16	16.558,16
Amortisation of intangible assets	7	2.776.747,14	2.104.667,44
Reversal of write-down of inventories		1.479,64	(380,20)
Subcontractors		69.475.497,65	53.275.987,23
Exchange differences		43.944,16	10.978,41
Repair and maintenance expenditure on property, plant and equipment		606,35	4.577,82
Short-term leases		423.558,58	565.861,17
Leases of low-value underlying assets		9.924,63	56.272,33
Variable lease payments not included in lease liabilities		223.828,85	228.751,56
Transportation / Travel expenses		2.532.997,83	6.266.022,53
Telecommunication cost		841.653,18	898.495,95
Third party fees		1.043.498,90	935.214,87
Advertising		32.432,95	29.523,72
Restructuring costs		230.000,00	0,00
Administrative Expenses and Building Expenses		2.043.651,82	1.839.566,35
Other		(2.027.392,67)	(627.755,36)
<b>Total</b>		<b>185.362.140,64</b>	<b>170.158.701,36</b>

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<i>Allocation of total expenses by function</i>	<i>1/1-31/12/2020</i>	<i>1/1-31/12/2019</i>
Cost of sales	164.506.834,55	148.472.808,32
Selling & marketing costs	8.994.419,30	8.997.899,80
Administrative expenses	11.860.886,78	12.687.993,24
<b>Total</b>	<b>185.362.140,64</b>	<b>170.158.701,36</b>

<i>Allocation of depreciation of property, plant &amp; equipment by function</i>	<i>1/1-31/12/2020</i>	<i>1/1-31/12/2019</i>
Cost of sales	1.052.568,77	945.348,05
Selling & marketing costs	70.457,71	48.923,07
Administrative expenses	227.801,59	236.665,54
<b>Total</b>	<b>1.350.828,07</b>	<b>1.230.936,66</b>

<i>Allocation of depreciation of Investment property</i>	<i>1/1-31/12/2020</i>	<i>1/1-31/12/2019</i>
Cost of sales	0,00	0,00
Selling & marketing costs	0,00	0,00
Administrative expenses	16.558,16	16.558,16
<b>Total</b>	<b>16.558,16</b>	<b>16.558,16</b>

<i>Allocation of amortization of intangible assets by function</i>	<i>1/1-31/12/2020</i>	<i>1/1-31/12/2019</i>
Cost of sales	2.285.030,56	1.765.037,22
Selling & marketing costs	149.132,29	85.998,39
Administrative expenses	342.584,28	253.631,83
<b>Total</b>	<b>2.776.747,14</b>	<b>2.104.667,44</b>

<i>Allocation of employee benefit expenses by function</i>	<i>1/1-31/12/2020</i>	<i>1/1-31/12/2019</i>
Cost of sales	85.160.332,12	74.155.823,54
Selling & marketing costs	4.785.397,46	5.699.874,68
Administrative expenses	7.794.682,50	8.889.159,08
<b>Total</b>	<b>97.740.412,08</b>	<b>88.744.857,31</b>

<i>Allocation of exchange differences by function</i>	<i>1/1-31/12/2020</i>	<i>1/1-31/12/2019</i>
Cost of sales	0,00	41,90
Selling & marketing costs	0,00	0,00
Administrative expenses	43.944,16	10.936,51
<b>Total</b>	<b>43.944,16</b>	<b>10.978,41</b>

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<i>Allocation of third party fees by function</i>	<i>1/1-31/12/2020</i>	<i>1/1-31/12/2019</i>
Cost of sales	789.016,12	776.456,89
Selling & marketing costs	12.389,35	19.608,50
Administrative expenses	242.093,43	139.149,48
<b>Total</b>	<b>1.043.498,90</b>	<b>935.214,87</b>

## 24. Net impairment gains/ (losses)

Due to the application of IFRS 9, the Group has had to re-approach the methodology for determining the impairment of all receivables as, based on IFRS 9, the Group now determines the impairment loss against expected credit losses. The total impact of this change through profit and loss as at 31 December 2020 was a decrease of EUR 1.126.728,14.

<i>Financial assets measured at amortised cost</i>	<i>1/1-31/12/2020</i>
Impairment gains/ (losses) on trade receivables	1.206.699,48
Reversal of previous impairment losses	(79.971,34)
<b>Total</b>	<b>1.126.728,14</b>

## 25. Employee benefits

Staff costs are analysed as follows:

	<i>1/1-31/12/2020</i>	<i>1/1-31/12/2019</i>
<b>Number of employees</b>	<b>2.213</b>	<b>1.947</b>

<i>Amounts in Euro</i>	<i>1/1-31/12/2020</i>	<i>1/1-31/12/2019</i>
Wages and salaries	77.241.216,84	70.649.159,96
Social security costs	17.103.764,39	15.050.750,14
Other employer contributions and expenses	1.270.335,27	1.317.152,32
Pension costs - defined benefit plans	395.948,92	339.583,85
Other post-employment benefits	1.729.146,66	1.388.211,04
<b>Total</b>	<b>97.740.412,08</b>	<b>88.744.857,31</b>

## 26. Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group.

<i>Amounts in Euro</i>	<i>31/12/2020</i>	<i>31/12/2019</i>
Short-term employee benefits	2.364.510,77	2.826.187,80
Long-term employee benefits (Pension benefits)	122.888,47	120.722,70
<b>Total</b>	<b>2.487.399,24</b>	<b>2.946.910,50</b>

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**27. Other income**

Other income is analysed as follows:

<i>Amounts in Euro</i>	1/1-31/12/2020	1/1-31/12/2019
Rental income	77.363,30	86.395,22
Insurance reimbursement	3.515,98	4.244,19
Subsidies	200.398,36	355.851,04
Other exceptional income from operations	265.415,21	169.270,38
<b>Total</b>	<b>546.692,85</b>	<b>615.760,83</b>

**28. Other gains / (losses) – net**

The Other Gains / (Losses) net are analysed as follows:

<i>Amounts in Euro</i>	1/1-31/12/2020	1/1-31/12/2019
Net foreign exchange gains / (losses)	(535.110,35)	109.017,09
Profit / (loss) on disposal of property, plant and equipment	5.296,34	(174,79)
Profit / (loss) on disposal of intangible assets	0,00	10.827,82
Previous year expenses	(164.214,68)	(295.657,41)
Other	(85.539,01)	25.377,98
<b>Total</b>	<b>(779.567,70)</b>	<b>(150.609,31)</b>

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## 29. Finance expenses / (incomes) – net

The finance incomes and finance expenses are analysed as follows:

<i>Amounts in Euro</i>	<i>1/1-31/12/2020</i>	<i>1/1-31/12/2019</i>
<b>Finance expenses</b>		
Bank borrowings	(3.963.330,56)	(3.618.653,83)
Debentures	(73.672,77)	(73.672,77)
Lease liabilities	(386.494,56)	(383.237,17)
Letters of guarantee fees	(947.525,63)	(900.398,55)
Interest on prepayments of projects	(21.092,63)	(84.604,44)
Net foreign exchange gains / (losses)	0,00	(5.458,08)
<b>Total Finance expenses</b>	<b>(5.392.116,16)</b>	<b>(5.066.024,84)</b>
<b>Finance income</b>		
Interest income on short-term bank deposits	2.213,12	17.232,22
Interest income on loans to related parties	201.130,84	200.851,92
Other	4.605,16	13.904,84
<b>Total Finance income</b>	<b>207.949,12</b>	<b>231.988,98</b>
<b>Total Finance result</b>	<b>(5.184.167,04)</b>	<b>(4.834.035,86)</b>

## 30. Income tax

Income tax is analysed as follows:

<i>Amounts in Euro</i>	<i>1/1-31/12/2020</i>	<i>1/1-31/12/2019</i>
Current tax	(2.427.006,10)	(2.586.324,52)
Deferred tax (note 10)	0,00	0,00
<b>Total</b>	<b>(2.427.006,10)</b>	<b>(2.586.324,52)</b>

The Belgium law, voted on December 2017, introduced tax measures affecting corporate taxpayers. The corporate income tax rate is reduced. The current effective combined income tax rate is decreased to 25% in 2020.

According to the tax laws in the respective jurisdictions of the Parent Group and its branches, the statutory income tax rates applicable to Group are as follows:

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	<b>2020</b>	<b>2019</b>
Luxembourg	24,94%	24,94%
Greece	24%	24%
Romania	16%	16%
Belgium	25%	29,58%
Bulgaria	10%	10%
Denmark	22%	22%
Cyprus	12,5%	12,5%
United Arab Emirates	0,00%	0,00%
Jordan	20%	20%
Kenya	30%	30%

Tax laws and related regulations are subject to interpretations by the tax authorities. Tax returns are filed annually but the profits or losses declared for tax purposes remain provisional until such time as the tax authorities examine the returns and the records of the taxpayer and a final assessment is issued. Pending the outcome of these future tax audits, the Group, based on previous years' tax audits and past interpretations of the tax laws, believes they have provided adequate provisions for the unaudited tax years to date.

### **Unassessed tax years**

The parent company has not been tax audited for the financial year 2018, 2019 and 2020.

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 finalized, are presented as follow. The cumulative provision for unaudited tax years amounts to EUR 3.924.037,67 for the Group.

	<b>Country of in cooperation</b>	<b>Unaudited Tax Years</b>
Intrasoft International S.A. Luxembourg	Luxembourg	2018 - 2020
Intrasoft International Greek branch	Greece	2015 - 2020
Intrasoft International Romanian branch	Romania	n/a

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Intrasoft International Jordanian branch	Jordan	2011 - 2020
Intrasoft International Scandinavia	Denmark	2007 - 2020
Intrasoft International Belgium	Belgium	2012 – 2020
Intrasoft Jordan	Jordan	2010 - 2020
Intrasoft International Middle East	UAE	n/a
Intrasoft International East Africa Ltd	Kenya	2015 – 2020
Intrasoft International South Africa Ltd	South Africa	2018-2020
Intrasoft International Ltd	Bulgaria	2011 - 2020
Intracom Cyprus	Cyprus	2012 - 2020
VALEU Consulting SA	Belgium	2017 - 2020
Intrasoft Information Technology Ltd	UK	2011 – 2020
Intrasoft SA	Greece	2015 – 2020
Wemetrix	Greece	2018-2020
Intrasoft International SA	Boston – USA	2014 – 2020

The amount of tax provision liability of EUR 3.924.037,67 relates to taxes and charges imposed from the audit by the tax authorities. The amount EUR 2.754.037,67 from previous years and EUR 1.300.000 in the year 2019, both related to the unassessed years and specific tax audit by the tax authorities, as described in paragraph “Other taxes” of INTRASOFT SA – Greek branch and reversal of EUR (130,000) in 2019 related to Intrasoft International Romanian branch, have been recorded at the expense of the statement of comprehensive income.



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The tax on the Group's financial result before tax differs from the theoretical amount that would have arisen if using the applicable tax rate of the Group as follows:

<i>Amounts in Euro</i>	1/1-31/12/2020	1/1-31/12/2019
Profit before tax	<b>5.171.404,55</b>	<b>3.157.977,37</b>
Tax calculated at Greek tax rate applicable on profits	(1.241.137,09)	(757.914,57)
Income not subject to tax	(28.649,67)	35.392,01
Expenses not deductible for tax purposes	(654.048,76)	(769.247,41)
Effect from different tax rates	(36.362,84)	233.252,93
Adjustment for over provision in previous periods	(1.193,66)	130.000,00
Tax losses of the period	1.807,42	(102.048,51)
Other taxes	(467.421,51)	(889.253,10)
<b>Tax Charge</b>	<b>(2.427.006,11)</b>	<b>(2.586.324,52)</b>

**Other taxes:** The financial years for which the company INTRASOFT SA – Greek branch has filed annually the Tax Returns but the profits or losses declared for tax purposes remain provisional are 2015-2020. Regarding the tax audit effected in 2018 for the year 2012 by the authorities (the respective taxes, fines and surcharges imposed were EUR 2.5 million) the Company has appealed against the final conclusion of the tax audit in which opposes its claims, state its views and requests for the cancellation of the final tax assessment acts, which was discussed at the Athens Three-Member Administrative Court of Appeal on 15<sup>th</sup> January 2020 and the decision is expected to be issued. The Company estimates that a significant part of these charges will be cancelled.

Regarding the other tax audit cases for the years 2012, 2013 and 2014 of INTRASOFT SA – Greek branch as well as for the year 2011 of INTRACOM IT SERVICES (the respective taxes, etc. imposed were EUR 2.5 million) the company filed quasi-judicial administrative appeal before the Dispute Settlement Directorate (D.E.D.) and following its decision (no. 2059/30.9.2020), were partially accepted. Concerning the part of the quasi-judicial Appeal not accepted, our Company then filed, on 11<sup>th</sup> November 2020, six (6) appeals in the Athens Three-Member Administrative Court of Appeal with their hearing date scheduled for the 2nd of March 2021, yet cancelled due to court suspensions in response to the coronavirus outbreak. So, a new hearing date is now expected to be announced by the Court.

Concerning the outcome of the said cases, the estimate of the legal advisor, who is handling the cases of the Company is that we have a reasonable chance of success.

For the above tax cases as well as for the unaudited fiscal years of the Company a provision of € 3.9 million has been calculated.

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**31. Cash generated from operations**

<i>Amounts in Euro</i>	Note	1/1-31/12/2020	1/1-31/12/2019
<b>Profit after tax for the period</b>		<b>2.744.398,45</b>	<b>571.652,85</b>
<b>Adjustments for:</b>			
Tax	30	2.427.006,10	2.586.324,52
Depreciation of property, plant & equipment	5	1.350.828,07	1.230.936,66
Depreciation of investment property	8	16.558,16	16.558,16
Amortisation of intangible assets	7	2.776.747,14	2.104.667,44
Depreciation of right-of-use assets		3.304.266,70	3.125.450,06
(Profit) / Loss on disposal of property, plant & equipment		(5.296,34)	174,79
(Profit) / loss on disposal of intangible assets	24	0,00	(10.827,82)
Interest income	29	(207.949,12)	(231.988,98)
Interest expense	29	5.392.116,16	5.066.024,84
Exchange gains / losses		0,00	138.489,30
Share of result of associates		215.594,22	(1.164,93)
Other		(340.338,03)	32.623,25
		<b>17.673.931,52</b>	<b>14.628.920,14</b>
<b>Changes in working capital</b>			
(Increase) / decrease in inventories		402.267,46	1.779.921,67
(Increase) / decrease in trade and other receivables		(14.877.380,68)	(1.292.833,17)
Increase / (decrease) in payables		21.566.350,89	(6.087.366,56)
Increase / (decrease) in provisions		489.513,86	1.442.695,61
Increase / (decrease) in pension & other benefits		395.948,92	661.084,15
<b>Total changes in working capital</b>		<b>7.976.700,46</b>	<b>(3.496.498,32)</b>
<b>Net cash generated from / (used in) operating activities</b>		<b>25.650.631,97</b>	<b>11.132.421,83</b>

### **32. Contingencies / outstanding legal cases**

The Group has contingent liabilities in respect of banks, other guarantees and other matters arising in the ordinary course of business as follows:

<i>Amounts in Euro</i>	<b>2020</b>	<b>2019</b>
Guarantees for advance payments	14.147.236,54	12.818.841,03
Guarantees for good performance	20.272.733,48	20.598.811,23
Guarantees for participation in contests	3.483.371,22	3.621.873,97
Counter-guarantees	302.997,62	91.125,99
Other	240.593,73	241.148,66
<b>Total</b>	<b>38.446.932,58</b>	<b>37.371.800,88</b>

#### **Outstanding legal cases**

There are no significant outstanding legal cases.

It is not anticipated that any material liabilities will arise from the contingent liabilities.

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**33. Related party transactions / Balances**

The following transactions / balances are carried out with related parties:

Entity	Receivable	Sale of services	Income from Rent	Sales of Goods	Financial Income
<b>Intracom Holdings SA entities</b>					
Intracom Holdings S.A.	8.573,62	5.805,46	0,00	0,00	0,00
Intracom Technologies Sarl	10.893,42	263,25	1.008,00	0,00	0,00
Intrakat	3.581.666,68	584.562,58	0,00	0,00	0,00
Fracasso Hellas	174,01	124,25	0,00	0,00	0,00
Intracom Defence S.A.	111.669,20	115.358,46	0,00	0,00	0,00
Intradevelopment S.A.	97.846,00	0,00	0,00	0,00	0,00
Intracom Contrust-Bucharest	34.586,80	0,00	0,00	0,00	0,00
Intrapower	489,42	0,00	0,00	0,00	0,00
Fracasso Holdings d.o.o.	465,35	0,00	0,00	0,00	0,00
Intracom Holdings International Ltd	5.689,38	0,00	0,00	0,00	0,00
Intracom Operations LTD	27.361,54	0,00	0,00	0,00	0,00
Advance Transport Telematics AE	2.395.716,55	2.225.764,29	1.877,60	0,00	201.130,84
BL Bluepro Holdings LTD	129,36	129,36	0,00	0,00	0,00
Rural Connect SA	1.411.120,00	1.138.000,00	0,00	0,00	0,00
	<b>7.686.381,33</b>	<b>4.070.007,65</b>	<b>2.885,60</b>	<b>0,00</b>	<b>201.130,84</b>
<b>Related parties</b>					
Intralot S.A.	1.369.046,33	3.750.899,96	0,00	0,00	0,00
Intralot Inc. U.S.A.	119.744,70	121.934,14	0,00	0,00	0,00
Intralot Tech Single Member SA	134.582,16	349.616,30	0,00	0,00	0,00
Intralot Betco EOOD	13.104,20	0,00	20.178,05	0,00	0,00
Bilot EOOD	0,00	0,00	10.920,17	0,00	0,00
	1.636.477,39	<b>4.222.450,40</b>	<b>31.098,22</b>	<b>0,00</b>	<b>0,00</b>
<b>Total</b>	<b>9.322.858,72</b>	<b>8.292.458,05</b>	<b>33.983,82</b>	<b>0,00</b>	<b>201.130,84</b>

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Entity	Payable	Purchase of services	Rent charge	Finance Expense	Purchase of goods
<b>Intracom Holdings SA entities</b>					
Intracom Holdings S.A.	10.036.500,46	1.081.925,80	832.014,84	510.383,34	7.462,50
Intrakat S.A	387.208,92	267.655,92	0,00	0,00	0,00
Intracom LTD Skopje	5.617,15	10.453,95	0,00	0,00	0,00
Intrapower SA	110.733,41	344.030,96	0,00	0,00	132.570,13
Intacom Defense Electronics	1.230,00	0,00	0,00	0,00	0,00
	<b>10.541.289,94</b>	<b>1.704.066,63</b>	<b>832.014,84</b>	<b>510.383,34</b>	<b>140.032,63</b>
<b>Related parties</b>					
Intralot S.A.	13.329,37	0,00	0,00	0,00	0,00
Intralot Tech Single Member SA	17.389,40	14.023,71	0,00	0,00	0,00
	<b>30.718,77</b>	<b>14.023,71</b>	<b>0,00</b>	<b>0,00</b>	<b>0,00</b>
<b>Total</b>	<b>10.572.008,71</b>	<b>1.718.090,34</b>	<b>832.014,84</b>	<b>510.383,34</b>	<b>140.032,63</b>

Services from and to related parties, as well as sales and purchases of goods, take place on the basis of the price lists in force with non-related parties. Other related parties are mainly associates and companies in which the major shareholder of the Group holds an interest share.

### **Key Management compensations**

During the financial year 2020 no amount was granted or reimbursed on top of the open balance due on 31 December 2019. As at 31 December 2019, this receivable amounted to EUR 65.969,27 transferred to Profit & Loss account.

### **34. Post balance sheet events**

There are no significant events after the balance sheet date that can substantially affect the financial position of the Group.

### **35. Subsidiaries**

The companies included in the consolidated financial statements and the related direct and indirect percentage interests held are as follows on 31.12.2020:

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Entity Name	Country of incorporation	Direct % interest held	Year of establishment	Indirect % interest held	Consolidation method
Intrasoft International SA	Belgium	99,99%			Full
Intrasoft SA	Greece	99,00%		1,00%	Full
Intrasoft International Bulgaria Ltd	Bulgaria	100,00%	2011		Full
Intrasoft Information Technology UK Ltd	United Kingdom	100,00%	2011		Full
Intrasoft Middle East FZC	United Arab Emirates	80,00%	2013		Full
Intrasoft Jordan L.L.C.	Jordan			80,00%	Full
Intrasoft International Scandinavia AS	Denmark	100,00%			Full
Intrasoft International USA, Inc.	USA	100,00%	2012		Full
Intrasoft International East Africa	Kenya	88,00%	2015	7%	Full
Intrasoft International Zambia	Zambia	10%	2019	85.5%	Full
Intracom Cyprus L.T.D.	Cyprus	100,00%			Full
WEMETRIX SA	Greece	60%	2018		Full
VALEU CONSULTING	Belgium	40,10%	2017	10%	Full
Intrasoft International South Africa	Republic of South Africa	100,00%	2018		Full

The interest held in subsidiaries as at 31 December is as follows:

Entity Name	Country of incorporation	31/12/2020 Net Book Value	31/12/2020 Net Equity	31/12/2020 Profit / (Loss)	31/12/2020 Total Interest held (%)
Intrasoft International SA	Belgium	4.059.738,00	4.728.302,66	916.909,86	99,99%
Intrasoft SA	Greece	90.000,00	(618,28)	(2.433,10)	100,00%
Intrasoft International Bulgaria Ltd	Bulgaria	46.016,98	60.370,42	10.763,32	100,00%
Intrasoft Information Technology UK Ltd	United Kingdom	0,00	0,00	0,00	100,00%
Intrasoft Middle East FZC	United Arab Emirates	200.277,01	4.950.025,71	(705.627,09)	80,00%
Intrasoft International Scandinavia AS	Denmark	5.962.929,59	3.957.492,22	696.477,97	100,00%
Intrasoft International USA, Inc.	USA	817,59	18.293,18	15.379,45	100,00%
Intracom Cyprus	Cyprus	23.000,00	145.998,08	(9.549,29)	100,00%
Intrasoft Information East Africa Ltd	Kenya	0,00	88.391,21	(44.859,76)	95,00%
VALEU CONSULTING	Belgium	30.811,50	99.801,69	42.152,89	50,10%
Intrasoft South Africa	South Africa	0,00	2.179,69	55,65	100%
WEMETRIX SA	Greece	449.000,00	620.654,17	3.391,22	60%
Intrasoft International Zambia Limited	Zambia	722,26	(3.426,04)	(819,68)	95,50%
<b>Total</b>		<b>10.863.312,93</b>			

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Entity Name	Country of incorporation	31/12/2019 Net Book Value	31/12/2019 Net Equity	31/12/2019 Profit / (Loss)	31/12/2019 Total Interest held (%)
Intrasoft International SA	Belgium	4.059.738,00	3.811.392,80	429.701,60	99,99%
Intrasoft SA	Greece	90.000,00	1.814,82	(3.085,46)	100,00%
Intrasoft International Bulgaria Ltd	Bulgaria	46.016,98	49.607,10	24.714,04	100,00%
Intrasoft Information Technology UK Ltd	United Kingdom	0,00	0,00	0,00	100,00%
Intrasoft Middle East FZC	United Arab Emirates	200.277,01	6.153.191,30	(998.459,78)	80,00%
Intrasoft International Scandinavia AS	Denmark	7.468.582,00	4.766.658,38	1.017.809,92	100,00%
Intrasoft International USA, Inc.	USA	817,59	5.300,19	(46.078,50)	100,00%
Intracom Cyprus	Cyprus	23.000,00	119.958,05	32.554,91	100,00%
Intrasoft Information East Africa Ltd	Kenya	0,00	154.218,93	121.259,50	98,00%
VALEU CONSULTING	Belgium	30.811,50	57.648,80	(7.884,62)	50,10%
Intrasoft South Africa	South Africa	0,00	1.855,26	1.426,53	100%
WEMETRIX SA	Greece	449.000,00	617.262,95	12.022,36	60%
Intrasoft International Zambia Limited	Zambia	100,00	(2,917.65)	(3.895,08)	98,20%
<b>Total</b>		<b>12.368.343,08</b>			

The movement on Investments account is as follows:

<i>Amounts in Euro</i>	31/12/2020	31/12/2019
<b>Balance at the beginning of period</b>	<b>12.368.343,08</b>	<b>9.446.511,08</b>
Acquisition of subsidiaries	0,00	0,00
Impairment Reversal	0,00	2.466.582,00
Additions	722,26	455.250,00
Disposals / write offs	(1.505.752,41)	0,00
<b>Balance at the end of period</b>	<b>10.863.312,93</b>	<b>12.368.343,08</b>

In 2014, the company proceeded to a disposal of EUR 314.117,86 of its subsidiary Intrasoft Jordan S.A.

During the year 2015, the Group converted part of the loan had been granted to its subsidiary Intrasoft International Scandinavia in share capital amounted EUR 520.000,00

In the last quarter of 2015, Intrasoft International SA acquired 88 % of the company Intrasoft International East Africa. The effect on the Financial Statement of the acquisition was not significant.

In order to assess whether there is an impairment of investments in subsidiaries as at 31 December 2016, the Company performed the relevant impairment tests.

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During the year 2017, the Company converted part of the loan had been granted to its subsidiary Intrasoft International Scandinavia in share capital amounted EUR 780.000,00

On January 12th the company established the VALEU Consulting S.A. the company paid the amount of 24.661,50 for the 40,10% of total capital.

On November 22<sup>nd</sup>, 2017 the Company acquired the 100,00% held subsidiary Company with the name of INTRACOM (CYPRUS) LTD in Cyprus with the amount of EUR 23.000,00.

In December 2017 the Company decided to liquidate its 100% subsidiary company INTRACOM EXPORTS LTD in Cyprus.

During the year 2018 the Company decided to liquidate its 100% subsidiary company GLOBAL NET SOLUTIONS in Bulgaria. The result of the liquidation dividend amounted to EUR 190k compared to acquisition Cost EUR 200k

In March 2018 the Company acquired the 100,00% held subsidiary Company with the name of MARDICODE PROPRIETARY LIMITED in South Africa. On March 16 the company name changed to INTRASOFT INTERNATIONAL SOUTH AFRICA (PTY) Limited. This is the latest in a growing number of subsidiaries and representations for the company. The team of experts in the Cape Town office will focus on public sector projects, primarily in the field of taxation and revenue management solutions, which along with e-customs have become INTRASOFT's calling card across the global public sector.

On 7th October 2019 the Company paid the amount of EUR 150.000,00 for the acquisition of 12.500 shares of the company under the name WEMETRIX SA, so acquired control of the company (note 10).

Furthermore, on 7th May 2019 the Company paid the amount of EUR 100,00 for the acquisition of 1.500 shares of the company under the name Intrasoft International Zambia Limited. On December 2019 the Subsidiary Intrasoft International Belgium SA paid the amount of 6.150 for the 10% of total capital of the company VALEU Consulting S.A.

In 2020 Intrasoft International Scandinavia AS decided to reduce its share capital and to return it, with also an amount from its Retained Earnings, to Intrasoft International Luxembourg S.A as its sole shareholder totally amounted to EUR 1.505.752,41. Furthermore, in 2020 Intrasoft International East Africa Limited paid EUR 722,26 for the acquisition of 13.499 shares of Intrasoft International Zambia Limited.

In order to assess whether there is an impairment of investments in subsidiaries as at 31 December 2020, the Group performed the relevant impairment tests.

Entity Name	Country of incorporation	31/12/2020 Cost Book Value	31/12/2020 Impaired amount	31/12/2020 Net Book Value
Intrasoft International Scandinavia AS	Denmark	5.962.929,59	0,00	5.962.929,59

The Management of the Company considers that there is no need to proceed to any impairment test regarding the rest of subsidiaries and investments in subsidiaries which are shown at cost less impairment.