

# EMPOWERING

Your Digital Transformation Journey



[www.space.gr](http://www.space.gr)

## ANNUAL FINANCIAL REPORT

For the year 1st January 2023 – 31st December 2023

---

«SPACE HELLAS S.A. »  
Company's Reg. No: 375501000  
Mesogion Av. 312 Ag. Paraskevi

---

The annual financial report of 2023 has been prepared in accordance with art. 4, Law 3556/2007, has been approved by the Board of Directors on 23rd April 2024 and has been uploaded at the URL address <http://www.space.gr>

## LIST OF CONTENTS ANNUAL REPORT 2023

<b>1</b>	<b>STATEMENTS OF MEMBERS OF THE BOARD (In accordance with article 4 par.2 of Law 3556/2007</b>	
	<b>5</b>	
<b>2</b>	<b>ANNUAL REPORT OF THE BOARD OF DIRECTORS FOR THE FINANCIAL PERIOD 1.1.2023 –</b>	
	<b>31.12.2023</b>	
<b>2.1</b>	<b>OVERVIEW OF THE YEAR 2023 - FINANCIAL POSITION – PERFORMANCE</b>	<b>7</b>
2.1.1	Key Financial Information	9
2.1.2	Other information	20
<b>2.2</b>	<b>SIGNIFICANT FACTS DURING THE YEAR 2023 AND THEIR IMPACT ON THE FINANCIAL STATEMENT</b>	<b>21</b>
<b>2.3</b>	<b>BUSINESS PERSPECTIVES FOR THE GROUP AND THE COMPANY</b>	<b>28</b>
2.3.1	Introduction	28
2.3.1	Private Sector and state-owned companies	28
2.3.2	Public Sector	29
2.3.3	International Presence	31
2.3.4	Research and Development	32
2.3.5	Perspectives	33
<b>2.4</b>	<b>RISK MANAGEMENT AND HEDGING POLICY</b>	<b>34</b>
<b>2.5</b>	<b>IMPORTANT TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES</b>	<b>42</b>
<b>2.6</b>	<b>ALTERNATIVE PERFORMANCE MEASURES</b>	<b>45</b>
<b>2.7</b>	<b>NON-FINANCIAL INFORMATION</b>	<b>47</b>
<b>2.8</b>	<b>SPACE HELLAS EU TAXONOMY REPORT 2023 REPORTING OBLIGATIONS UNTER ART.8 REGULATION (EU) 2020/852</b>	<b>101</b>
<b>2.9</b>	<b>GOING CONCERN</b>	<b>112</b>
<b>2.10</b>	<b>CORPORATE GOVERNANCE STATEMENT</b>	<b>112</b>
<b>2.11</b>	<b>SIGNIFICANT POST-BALANCE SHEET EVENTS</b>	<b>201</b>
<b>2.12</b>	<b>EXPLANATORY REPORT OF THE BOARD OF DIRECTORS TOWARDS THE SHAREHOLDERS' ORDINARY GENERAL MEETING OF</b>	
	<b>"SPACE HELLAS S.A.", pursuant to article 4, paragraphs 7 and 8, Law 3556/2007</b>	<b>202</b>
<b>3</b>	<b>INDEPENDENT AUDITOR'S REPORT</b>	<b>207</b>
<b>4</b>	<b>ANNUAL FINANCIAL STATEMENTS FOR THE PERIOD FROM 1<sup>st</sup> JANUARY 2023 TO 31<sup>st</sup> DECEMBER</b>	
	<b>2023</b>	<b>217</b>
<b>4.1</b>	<b>TOTAL COMPREHENSIVE INCOME STATEMENT</b>	<b>217</b>
4.1.1	Income Statement	217
4.1.2	Other comprehensive Income statement	218
<b>4.2</b>	<b>FINANCIAL POSITION STATEMENT</b>	<b>219</b>
<b>4.3</b>	<b>STATEMENT OF CHANGES IN EQUITY</b>	<b>220</b>
4.3.1	Statement of Changes in Company's Equity	220
4.3.2	Statement of Changes in Group's Equity:	221

<b>4.4</b>	<b>CASH FLOW STATEMENT</b>	<b>222</b>
<b>4.5</b>	<b>NOTES ON SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION</b>	<b>223</b>
4.5.1	Information on SPACE HELLAS S.A.	223
4.5.2	Summary of Significant Accounting Policies	227
<b>4.6</b>	<b>NOTES TO THE ANNUAL FINANCIAL STATEMENTS of yeAr 2023</b>	<b>256</b>
4.6.1	Operating Segments	256
4.6.2	Other Operating Income	257
4.6.3	Operating Expenses	257
4.6.4	Other Operating Expenses	259
4.6.5	Financial results	259
4.6.6	Income Tax	260
4.6.7	Property, Plant And Equipment	260
4.6.8	Intangible Assets	262
4.6.9	Rights of Use	264
4.6.10	Investment Properties	264
4.6.11	Goodwill	264
4.6.12	Liens and Pledges	267
4.6.13	Subsidiaries, Associates and Joint Ventures	268
4.6.14	Other Long-Term Receivables	271
4.6.15	Inventories	271
4.6.16	Trade Receivables	272
4.6.17	Other Receivables	274
4.6.18	Prepayments	275
4.6.19	Cash And Cash Equivalents	275
4.6.20	Share Capital	275
4.6.21	Reserves	276
4.6.22	Long Term Loans	277
4.6.23	Other Long Term Liabilities	278
4.6.24	Fair Value Measurement	278
4.6.25	Personnel Employee - Employee Benefits	279
4.6.26	Deferred Income Tax	280
4.6.27	Trade and Other Payables	282
4.6.28	Provisions	282
4.6.29	Disputed Claims	283
4.6.30	Unaudited Fiscal Years by the Tax Authorities	283
4.6.31	Contingent events	284
4.6.32	Cash Flow	285
4.6.33	Contingent Events - Transactions Between the Company and Related Parties (IAS 24) from 01-01-2023 to 31-12-2023	286
<b>4.7</b>	<b>ALTERNATIVE PERFORMANCE MEASURES</b>	<b>289</b>
<b>4.8</b>	<b>ADJUSTMENTS AND RECLASSIFICATIONS</b>	<b>292</b>
4.8.1	Discontinued operations	292

---

4.8.2	<i>Income Statement</i>	294
4.8.3	<i>Financial Position Statement</i>	295
4.8.4	<i>Cash Flow Statement</i>	296
<b>4.9</b>	<b>SIGNIFICANT POST-BALANCE SHEET EVENTS</b>	<b>297</b>
<b>5</b>	<b>FIGURES AND INFORMATION FROM 1<sup>ST</sup> JANUARY TO 31<sup>TH</sup> DECEMBER 2023</b>	<b>298</b>
<b>6</b>	<b>GROUP'S WEBSITE AND AVAILABILITY OF THE PUBLISHED FINANCIAL REPORT</b>	<b>299</b>

## **1 STATEMENTS OF MEMBERS OF THE BOARD (In accordance with article 4 par.2 of Law 3556/2007**

The Members of the Board of Directors of SPACE HELLAS:

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

acting by virtue of the aforementioned membership and specially designated, we declare and certify that, to the best of our knowledge:

1. The annual financial statements of the Group and of company SPACE HELLAS SA for the financial year from January 1, 2023, to December 31, 2023, which were prepared according to International Financial Reporting Standards, present truly and fairly the assets and liabilities, the equity and the financial results of the Company, as well as of the consolidated companies as a whole of year 2023, according to par. 3 to 5 of article 4 of L. 3556/2007 and

2. The enclosed report of the Board of Directors reflects in a true manner the development, performance and financial position of the Company and of the businesses included in Group consolidation, taken as a whole, including the description of the principal risks and uncertainties.

**Agia Paraskevi, 23 April 2024**

### **The Designated members of the Board of Directors**

The Chairman of the Board

Chief Executive Officer

Member of the Board, and  
Chief Financial Officer

S. Manolopoulos

I. Mertzanis

I. Doulaveris

## **2 ANNUAL REPORT OF THE BOARD OF DIRECTORS FOR THE FINANCIAL PERIOD 1.1.2023 – 31.12.2023**

To the Shareholders,

The present Report of the Board of Directors of SPACE HELLAS refers to the financial year from January 1, 2023, to December 31, 2023, and is compliant with the provisions of the Greek Companies' Act, L. 4548/2018 (art. 150 to 154) as well as art. 4 § 7 L.3556/2007 and related HCMC circulars.

This report is divided in subsections with the aim to present in a fair, summarized, yet substantial manner all the information in accordance with the abovementioned legal framework in order to provide substantial and well documented information regarding the activities of the company and the Group for the related period.

The sections of the report aim to provide the Shareholders with information regarding the following:

- o The financial position of the Group and the Company, and additional related information for the financial year 2023,
- o The important issues that took place during the financial year 2023 and their impact on the financial statements,
- o The perspectives and strategic aims of the Group and the Company,
- o The risks and uncertainties of the Group and the Company,
- o The Group's Corporate Governance practices,
- o The transactions with related parties during 2023,
- o The important issues that took place after the end of the financial year 2023.

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

The present report is included in its entirety in the Annual Financial Report of the year 2023, along with the financial statements and the other necessary information, the relevant declarations and the explanatory notes.

The amounts in this report are presented in Euro thousands unless expressly stated otherwise.

The Annual Report, together with the financial statements and the auditor's report, is available at <http://www.space.gr>.

## 2.1 OVERVIEW OF THE YEAR 2023 - FINANCIAL POSITION – PERFORMANCE

2023 was recorded as the strongest year for the markets since 2019, closing the year with optimism from most investors despite continuous and persistent pressures, mainly from the geopolitical and monetary side.

The Greek economy seems to be gradually completing a strong cycle of recovery, overcoming the problems created over the ten-year debt crisis and coming back to normality. There are many individual indicators that express this recovery, as according to the most recent IOBE measurements on behalf of the E.U., Greek GDP is growing faster than European averages at a 15-year high. This increase is accompanied by a systematic de-escalation of unemployment and an increase in investment that is also higher than European growth rates.

However, this does not mean that uncertainty does not remain high, as the cost of living remains high, the "battle" with inflation is not over, and in addition to the Ukraine war, new geopolitical turmoil has been added. The beginning of 2024 finds us with a new potential escalation in the form of Iran's blockade (with the cooperation of Yemen's Houthis) of the Straits of Hormuz and, recently, the crisis in the Middle East. In the event that the above rekindles a new energy crisis (escalation of oil and natural gas prices and an upward trajectory of Europe's inflation), conditions of economic instability will be created again. Finally, 2024 is an election year for the USA with the risk of a possible significant change in the course of relations between the USA and China, which will critically affect the global economy not only in the future but also immediately.

In 2023, the Greek economy showed particular resilience despite the unfavourable external environment, both in terms of strengthening economic activity and creating new jobs. According to ELSTAT's initial estimates, the growth rate achieved by the Greek economy in 2023 amounted to 2%, with the performance of the 4th quarter at 1,2% on an annual basis, continuing to significantly exceed the eurozone average.

In Q4 2023, private consumption (at constant prices) accelerated to yearly 1.8% (1.4% quarterly) from yearly 1.2% in Q3, driven by supportive labor market conditions – with growth in total employee wages (by yearly 5% in nominal terms, in Q4) as well as in non-wage income (rents, interest and dividends) – the acceleration of consumer credit (yearly +3.4% in December 2023 compared to 1.5% in June, which constitutes a 14-year high,) and the positive effects on household wealth (property owners and/or net savers) from rising property valuations as well as financial assets. Public consumption accelerated to an annualised 2.7% in the last quarter. Similar trends were observed in 2023 as a whole, with private and public consumption increasing at the same rate (1.6% per year in 2023) and the total wage also increasing by 5.9% per year ( 2.5% at constant prices) over the year as a whole, outperforming, for the first time since 2020, the growth rate of business profits. Therefore, private consumption growth added 1.1 percentage points to the annual change in GDP in 2023 and public consumption 0.3 percentage points.

The effective utilization of resources from the EU Structural Funds, as well as those from the Recovery and Resilience Mechanism (RRF), to stimulate public and private investments is expected to boost the course of the Greek economy. The conclusion of double parliamentary elections that led to a self-reliant government with a comfortable parliamentary majority, which is a continuation of the government of the previous four years, has the effect of de-escalating the risk of political instability. This result seems to ensure stability and visibility for favourable economic developments in the coming period, an element that, to a certain extent, has already been seen from the trend in the country's borrowing costs and capital markets. As a result of the above, Moody's upgraded Greece's credit rating by two notches from Ba3 to Ba1 with a stable outlook, while other agencies such as the Japanese Rating and Investment Information Inc., the German Scope Ratings and the Canadian DBRS Morningstar recently rated Greece in the BBB investment grade. The acquisition of the investment grade will significantly strengthen the resilience of the Greek economy to external factors, while at the same time, it is expected to further reduce the cost of borrowing, both for the public and the private sector, thus strengthening investments and, as a positive consequence, the economic development.

Regarding the year 2024, the forecast for the average annual growth rate of the Greek economy amounts to 2.2%, an estimate according to which the Greek economy is expected to remain on an upward trajectory, maintaining a satisfactory GDP growth rate. The historically high performance of tourism, the increase in private consumption, the acceleration of capital spending related to the RRF and the investments postponed from 2023, including reconstruction projects in Central Greece, are expected to provide a significant boost to GDP in 2024.



The request for the 4th payment, amounting to €2,3 billion, was recently submitted for the loan component of the Recovery and Resilience Fund. As stated in an announcement by the Ministry of National Economy and Finance, the specific request was submitted as RRF's goal of contracting loans, amounting to 4,52 billion euros, was achieved earlier than expected.

In an undeniably changing Economic and Geopolitical environment, the IT and Communications Technology sector, in which the Space Group operates, is one of the most important sectors for the Greek economy due to the growing demand for automation and digitization both in the private and the public sector. The Space Group continued to move successfully along the lines of competitiveness, know-how and efficiency. The Group's effort to be competitive is continuous and essentially based on the know-how, skills and dedication of its people, as well as on continuous investments aimed at efficiency and value creation.

The effects of the changes in the business environment on individual areas of the Space Group's business activities, as well as the ways to deal with them, will be analyzed in the "Risk Management and hedging policies" chapter. The Group remains fully operational in all areas of its activity, taking all the necessary measures to maintain high liquidity and profitability while remaining committed to the optimal utilization of the funds it has, with the aim of its further organic growth and ensuring its business continuity. The Administration implements its business planning with the aim of exploiting the business opportunities created by the challenge of digital transformation in the public and private sectors, investing in companies with a high level of specialization. Focusing on product diversity, the search for new business opportunities and investments both in Greece and abroad will give the Group greater added value, which will allow it to differentiate from the competition.

#### **2.1.1 KEY FINANCIAL INFORMATION**

The company's activities were in accordance with current legislation and its corporate goals, as defined by its articles of association.

Here below, detailed data of the financial statements are presented and compared to those of the previous period, which have been revised according to IFRS 5 "Non-current assets held for sale and discontinued operations" (note 4.8.1), following the spin-off of the RnF branch of the subsidiary SingularLogic SA.

### 2.1.1.1 Year's income

Amounts in € thousand	Group			Company		
	01.01- 31.12.2023	01.01- 31.12.2022	Change %	01.01- 31.12.2023	01.01- 31.12.2022	Change %
Revenue	148.078	120.663	22,72%	123.603	110.337	12,02%
Gross profit/loss	30.873	21.683	42,38%	23.675	19.856	19,23%
Gross profit margin	21%	18%		19%	18%	
EBITDA	17.480	10.512	66,29%	12.049	8.895	35,46%
EBIT	11.281	7.028	60,52%	8.501	6.507	30,64%
Earnings before taxes	7.413	5.442	36,22%	4.581	4.470	2,48%
Earnings after taxes	4.804	5.020	-4,30%	3.146	3.332	-5,58%

**The Group's turnover** amounted to € 148.078 thousand compared to € 120.663 thousand for the year 2022. The increase of 22,72% is attributed to the continuous increase of the Group's market share as a result of all group members' efforts. The Group continues the implementation of Digital transformation projects at a rapid pace in both the public and private sectors.

**The Group's Gross profit** amounted to € 30.873 thousand compared to € 21.683 thousand in the previous year, showing an increase of 42,38%.

**The Group's EBITDA** amounted to € 17.480 thousand compared to € 10.512 thousand in the previous period, showing an increasing pattern of 66,29%. The implementation of value-added projects is a parallel goal to the increase in market share and consequently explains the above increase.

**The Group's EBIT** amounted to € 11.281 thousand compared to € 7.028 thousand in the previous year, showing an increase of 60,52%. The increase follows EBITDA's trend, minus the depreciations and amortizations for the year.

**The Group's earnings before taxes** amounted to € 7.413 thousand compared to € 5.442 thousand during the previous period, showing an increase of 36,22%. The increase in financial costs affected the specific amount.

**The Group's earnings after taxes** amounted to € 4.804 thousand compared to € 5.020 thousand in the previous period, showing a decrease of 4,30% as a result of increased tax liabilities.

### Statement of comprehensive income

**The other comprehensive income after taxes for the current year** comprises the net amount of €, -170 thousand, which concerns adjustments from the Branch Spin-off of the subsidiary SingularLogic, the net amount after taxes of €9 thousand, which concerns the result of the actuarial study (IAS 19), the amount of €4 thousand from currency conversion differences in euros of our sub-subsidiaries abroad and the amount of €58 thousand concerns the deletion of subsidiaries due to liquidation of the sub-subsidiary SPACE HELLAS SYSTEM INTEGRATOR SRL.

**The other comprehensive income after taxes of the previous year** comprises the net amount of 1.517 thousand from the revaluation of assets at their fair value, which was determined by a study performed by an independent certified appraiser, the net amount of € -6 thousand from actuarial results (IAS 19), the amount of 3 thousand, of currency differences from the consolidation of subsidiaries and -103 thousand from consolidation adjustments.

### 2.1.1.2 Assets

Amounts in € thousand	Group			Company		
	01.01- 31.12.2023	01.01- 31.12.2022	Change %	01.01- 31.12.2023	01.01- 31.12.2022	Change %
Total Assets	175.283	175.071	0,12%	153.941	152.774	0,76%
Total noncurrent receivables	52.848	57.976	-8,85%	46.855	46.319	1,16%
Inventories	16.722	17.114	-2,29%	16.550	16.820	-1,61%
Trade receivables	64.122	53.279	20,35%	59.392	51.591	15,12%
Other receivables	41.591	46.702	-10,94%	31.144	38.044	-18,14%

**The Group's Total Assets** amount to € 175.283 thousand compared to € 175.071 thousand in the year 2022.

**The Group's noncurrent receivables' net value** amounts to € 52.848 thousand compared to € 57.976 thousand in 2022. This decrease was mostly due to the strategy of disinvesting from non-controlling interests and tangible assets as well.

**The Groups' inventories** of goods, raw and auxiliary materials and consumables amount to € 16.722 thousand compared to € 17.114 thousand in 2022, showing a modest change.

**The Group's Trade receivables** amount to € 64.122 thousand compared to € 53.279 thousand in the year 2022, showing an increase of 20,35%, reflecting the steady upward turnover over the last years. This increase was intensified by the significant increase in turnover in the last quarter of the year

**The Group's other receivables** amount to € 41.591 thousand compared to € 46.702 thousand in the year 2022.

### 2.1.1.3 Liabilities

Amounts in € thousand	Group			Company		
	01.01- 31.12.2023	01.01- 31.12.2022	Change %	01.01- 31.12.2023	01.01- 31.12.2022	Change %
Total Liabilities	175.283	175.071	0,12%	153.941	152.774	0,76%
Shareholders' Equity	28.183	30.632	-7,99%	25.605	23.315	9,82%
Long term loans	31.091	47.919	-35,12%	27.561	46.260	-40,42%
Long term leases	2.475	1.446	71,16%	2.222	1.174	89,27%
Other long term liabilities	6.406	4.718	35,78%	3.931	3.135	25,39%
Short term loans	41.670	22.683	83,71%	38.049	20.263	87,78%
Short term leases	1.028	1.253	-17,96%	857	661	29,65%
Other short term liabilities	64.430	66.420	-3,00%	55.716	57.966	-3,88%

**The Shareholders' equity** amounts to € 28.183 thousand compared to € 30.632 thousand.

**The Group's long-term loans** amount to € 31.091 thousand, compared to € 47.919 thousand in the year 2022, which is reduced by 35,12%. The loans comprise:

- The mortgage loan ending in 2025 has an initial amount of € 6.500 thousand, and after interest and principal payments, it amounts to € 500 thousand.
- The mortgage loan ending in 2025 has an initial amount of € 2.000 thousand, and after interest and principal payments, it amounts to € 500 thousand.
- The mortgage loan ending in 2025 has an initial amount of € 400 thousand, which, after interest and principal payments, amounts to € 30 thousand.

- The mortgage loan ending in 2025 has an initial amount of € 800 thousand and, after interest and principal payments, an amount of € 217 thousand.
- The mortgage loan ending in 2025 has an initial amount of € 2.000 thousand, and after interest and principal payments, it amounts to € 500 thousand.
- The mortgage loan ending in 2026 has an initial amount of € 500 thousand, and after interest and principal payments, it amounts to € 222 thousand.
- The mortgage loan ending in 2026 has an initial amount of € 500 thousand, and after interest and principal payments, it amounts to € 219 thousand.
- The mortgage loan ending in 2027 has an initial amount of € 4.000 thousand, and after interest and principal payments, it amounts to € 2.200 thousand.
- The mortgage loan ending in 2027 has an initial amount of € 7.000 thousand, and after interest and principal payments, it amounts to € 5.833 thousand.
- The mortgage loan ending in 2027 has an initial amount of € 6.000 thousand, and after interest and principal payments, it amounts to € 5.000 thousand.
- The mortgage loan ending in 2027 has an initial amount of € 5.000 thousand, and after interest and principal payments, it amounts to € 3.332 thousand.
- The mortgage loan ending in 2028 has an initial amount of € 7.000 thousand, and after interest and principal payments, it amounts to € 4.000 thousand.
- The mortgage loan ending in 2028 has an initial amount of € 2.000 thousand, and after interest and principal payments, it amounts to € 1.167 thousand.
- The mortgage loan ending in 2033 has an initial amount of € 2.400 thousand, and after interest and principal payments, it amounts to € 2.400 thousand.
- The mortgage loan ending in 2033 has an initial amount of € 1.440 thousand, and after interest and principal payments, it amounts to € 1.440 thousand.
- The mortgage loan ending in 2026 has an initial amount of € 700 thousand, and after interest and principal payments, it amounts to € 263 thousand.
- The mortgage loan ending in 2026 has an initial amount of € 800 thousand, and after interest and principal payments, it amounts to € 356 thousand.
- The mortgage loan ending in 2026 has an initial amount of € 1.000 thousand in favour of SingularLogic, and after interest and principal payments, it amounts to € 438 thousand.
- The mortgage loan ending in 2026 has an initial amount of € 960 thousand in favour of SingularLogic, and after interest and principal payments, it amounts to € 928 thousand.
- The mortgage loan ending in 2032 has an initial amount of € 1.600 thousand, in favour of SingularLogic, and after interest and principal payments, it amounts to € 1.546 thousand.

The fair value of the short and long-term borrowings approximates the book value. The rate used in the company's and the Group's borrowings is floating and renegotiable within a six-month period. The average interest rate applied is 6,97 %.

**The Group's short-term loans** amount to € 41.670 thousand compared to € 22.683 thousand in the year 2022.

The total bank lending is at approximately the same level compared to the previous year. There is a change between short-term and long-term bank liabilities, which, however, is cumulatively compensated.

**The Group's other long-term liabilities** amount to € 6.406 thousand compared to € 4.718 thousand in the year 2022.

**The Group's other short-term liabilities** amount to € 64.430 thousand, compared to € 66.420 thousand in 2022.

#### 2.1.1.4 Cash Flow

	Group		Company	
	01.01- 31.12.2023	01.01- 31.12.2022	01.01- 31.12.2023	01.01- 31.12.2022
Amount ins € thousand				
Total cash inflow/(outflow) from operating activities	3.948	678	-2.319	230
Total cash inflow/(outflow) from investing activities	-5.350	-7.396	-2.603	-3.030
Total cash inflow/(outflow) from financing activities	-2.695	12.638	-2.617	10.716

**Cash flow from operating activities** is positive, amounting to € 3.948 thousand, compared to € 678 in the previous year.

**Cash flow from investing activities** is negative, amounting to € 5.350 thousand. These funds were channeled into the implementation of the Group's investment strategy.

The cash flow from financing activities is negative, amounting to € 2.695 thousand, implementing the group's financial plan.

### 2.1.1.5 Performance ratios

The Group measures its performance using widely accepted ratios:

	Group		Company	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
<b>A. LIQUIDITY RATIOS</b>				
A1. CURRENT RATIO	114,29%	129,59%	113,17%	134,94%
A2. QUICK RATIO	98,68%	110,36%	95,68%	113,62%
A3. ACID TEST RATIO	23,42%	32,30%	20,91%	34,64%
A4. WORKING CAPITAL TO CURRENT ASSETS	0,13	0,23	0,12	0,26
:				
<b>B. CAPITAL STRUCTURE RATIOS</b>				
B1. DEBT TO EQUITY	521,95%	471,53%	501,21%	555,29%
B2. CURRENT LIABILITIES TO NET WORTH	380,12%	294,97%	369,54%	338,38%
B3. FIXED ASSETS TO NET WORTH	196,61%	178,77%	181,94%	188,43%
B4. EQUITY TO TOTAL LIABILITIES	19,16%	21,21%	19,95%	18,01%
B.5 CURRENT ASSETS TO TOTAL ASSETS RATIO	69,85%	66,88%	69,56%	69,68%
<b>C. ACTIVITY RATIOS</b>				
C1. INVENTORIES TURNOVER RATIO	6,93 times	7,71 times	5,99 times	6,83 times
C2. FIXED ASSETS TURNOVER RATIO	2,67 times	2,35 times	2,65 times	2,51 times
C3. DAYS OF SALES OUTSTANDING (D.S.O)	125,31 days	132,25 days	138,43 days	139,55 days
C4. ASSET TURNOVER RATIO	0,84 times	0,73 times	0,80 times	0,72 times
C5. OWNER'S EQUITY TURNOVER RATIO	5,25 times	4,20 times	4,83 times	4,73 times
<b>D. PROFITABILITY RATIOS</b>				
D1. ROE	16,34%	18,25%	12,87%	15,87%
D2. ROA	2,74%	3,14%	2,05%	2,42%
D3. GROSS PROFIT MARGIN	20,85%	17,58%	19,15%	18,00%
D4. NET PROFIT MARGIN	5,01%	4,44%	3,71%	4,05%
D5. RETURN OF INVESTMENT	48,30%	30,12%	31,75%	29,42%
D6. EFFICIENCY OF TOTAL ASSETS	26,30%	18,62%	17,89%	19,18%
D7. RETURN ON TOTAL CAPITAL EMPLOYED	9,19%	6,10%	8,18%	5,87%
D8. FINANCIAL LEVERAGE RATIO	0,62 times	0,60 times	0,36 times	0,50 times

#### E. OPERATING EXPENSES RATIOS

E1. OPERATING RATIO	93,35%	98,97%	94,20%	96,06%
E2. INTEREST RATIO	1,85 times	2,15 times	1,57 times	1,99 times
E3. OPERATING EXPENSES TO NET SALES	14,20%	16,55%	13,35%	14,05%
E4. LOANS TO TOTAL ASSETS	41,51%	40,33%	42,62%	43,54%

#### 2.1.1.6 Share Capital

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

Number of shares and nominal value	31.12.2023	31.12.2022
Paid up capital	6.973.052	6.973.052,40
Number of ordinary shares	6.456.530	6.456.530
Nominal value each share	1,08 €	1,08 €

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

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

#### 2.1.1.7 Own Shares

The company does not possess any own shares as of 31-12-2023.

On 12-29-2022, the decision of the Extraordinary General Meeting of the company's shareholders dated 12-20-2022 was registered in the General Commercial Register (G.E.MH) with Registration Code No. 3386053, according to which the conditions for the acquisition of own shares of the Company were approved, in accordance with article 49 of Law 4548/2018, as well as the provision of relevant authorizations. In particular, the General Assembly approved in its entirety the proposal of the company's board of directors and the purchase of its own shares in accordance with article 49 of Law 4548/2018 with the following general characteristics: duration of approval twenty-four (24) months, acquisition up to 5% of the total share capital, method of acquisition through stock market transactions and price limits of €3 (nominal value) up to €13 per share, so that the company, once it acquires these



shares, can use them for future cooperation strategies and/or for the establishment of an incentive program for its executives and other staff and/or the reduction of its share capital and/or for other legal purposes, in each case in accordance with the relevant decision of the board of directors by virtue of a special authorization to this end. Purchases of own shares will be carried out to the extent deemed advantageous, and the company's available liquidity will allow it. Furthermore, the general meeting of the company's shareholders decided to grant authorization to the company's board of directors for the implementation of the decision of the general meeting and the regulation of any other more specific matter, which is not defined in the said decision, respecting, in any case, the provisions of relevant legislation.

#### **2.1.1.8 Dividend policy**

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

The dividends are proposed by the management of the company at the end of each fiscal year subject to the approval of the Annual Ordinary General Meeting of shareholders.

The company's Board of Directors will propose to the General Assembly the statutory withholding of an amount for the creation of the company's Regular reserve and the distribution of the mandatory dividend, which amounts to 35% of the profits that can be distributed after first deducting the income tax and the reserve for Regular reserve.

The Ordinary General Meeting of shareholders of June 12, 2023, decided to distribute a dividend of a gross amount of 848.388,04 euros, i.e. 0,1314 euros per share, with Beneficiary Determination Date: Tuesday, July 18, 2023, Cut-off Date: Monday, July 17, 2023, Date start of dividend payment: on Friday 21 July 2023 and Paying bank: Alpha Bank.

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

## 2.1.1.9 Participating interests and investments

Corporate name	Country	Sector	Ownership percentage	
			Direct	Indirect
Subsidiaries				
SPACE HELLAS (CYPRUS) LTD	Cyprus	ICT	100%	
SPACE HELLAS Doo Beograd-Stari Grad	Serbia	ICT	-	100%
SPACE HELLAS (MALTA) LTD	Malta	ICT	-	100%
SPACE ARAB LEVANT TECHNOLOGIES COMPANY	Jordan	ICT	-	100%
SENSE ONE TECHNOLOGIES Single Member S.A.	Greece	Internet of Things (IoT)	100%	
SINGULARLOGIC S.A.	Greece	IT and Software	99,93%	-
G.I.T. HOLDINGS S.A.	Greece	Holding company	-	100%
G.I.T. CYPRUS LIMITED.	Cyprus	Holding company	-	100%
SINGULARLOGIC ROMANIA COMPUTER APPLICATION S.R.L.	Romania	IT and Software	-	40%
SINGULARLOGIC CYPRUS LIMITED	Cyprus	IT and Software	-	99,88%
Associates				
Web-IQ B.V.	Netherlands	Specialised applications	32,28%	-
AgroApps Private Company	Greece	Specialised applications in agriculture	35%	-
Other investments				
MOBICS S.A.	Greece	Software development	18,10%	-
P-NET Emerging New Generation Networks and Applications P.C.	Greece	Software development	2,27%	-
14ByDesign	Greece	Spin off	2,00%	

On August 04, 2023, the company GIT CYPRUS LTD was put into liquidation. On December 22, 2023, based on the announcement no. 3180877 of the GEM, the company GIT HOLDINGS SA was put into liquidation.

On September 22, 2023, Space Hellas S.A. sold its minority stake (39,97%) held in the share capital of "Epsilon SingularLogic SA" with the buyer company being "EPSILON NET S.A." and the price amounting to 11,8 million euros, while at the same time it purchased 39,933% of the company "SingularLogic Anonyme Company of Information Systems and IT Applications" (hereinafter "SINGULARLOGIC") from the company "EPSILON NET S.A." with the price amounting to 6,3 million euros.

On November 18, 2022, it was decided to dissolve and liquidate the sub-subsidiary company SPACE HELLAS SYSTEM INTEGRATOR SLR, which was deleted from the relevant Romanian register in the first quarter of 2023. The result of the liquidation was charged on the results of the group.

On December 12, 2022, the agreement for the transfer of part of the shares of SINGULARLOGIC ROMANIA COMPUTER APPLICATION SRL was signed, for the 59,97% owned by SINGULARLOGIC AE and 0,03% owned by the associated company GREEK INFORMATION TECHNOLOGY CYPRUS LTD. Following the aforementioned transfer, SINGULARLOGIC's shareholding in SINGULARLOGIC ROMANIA amounts to 40% and is consolidated using the equity method.

#### 2.1.1.10 Commitments -Guarantees

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

Amounts in € thousand	Group		Company	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Guarantee letters to secure good performance of contract terms	14.619	11.997	12.883	11.121
<b>Total contingent liabilities</b>	<b>14.619</b>	<b>11.997</b>	<b>12.883</b>	<b>11.121</b>

- The company had guaranteed, in favour of banks, a total amount of €28.730 thousand for its subsidiary SINGULARLOGIC S.A. Out of the approved guaranteed financing limits, the funds used amount to €10.541 thousand.

#### 2.1.1.11 Excess clause provisions and Disputed claims

There are no cases that might have a significant impact on the financial position of either the Group or the Company.

#### 2.1.1.12 Other Contingent Liabilities

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

It should be noted that for the companies that are under the Greek tax jurisdiction, the tax years 2017 and before are considered permanently finalized.

For the years 2011 to 2015, the parent was audited by the Certified Public Accountants as provided by para. 5, art. 82, N2238 / 1994, as well as article 65A of N4174 / 2013 to obtain the tax certificate from the statutory auditors.

From the year 2016 onwards, the tax certificate is optional. Upon completion of the tax audit, the statutory auditor or audit firm issues to the company a "Tax Compliance Report" to be submitted it electronically to the Ministry of Finance, according to Circular (POL) 1124/2015, as amended by Circular (POL) 1108/2017 no later than the tenth day of the tenth month from the date of termination of the fiscal year.

For the Company, for the years 2011 to 2022, this audit has been completed with the issuance of the relevant Tax Compliance Reports without qualification.

There is ongoing tax audit of the company for the year 2022 by statutory auditors, from which no significant additional charges are expected to arise.

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

Apart from those mentioned above, there are no other significant contingent liabilities.

## **2.1.2 OTHER INFORMATION**

### **2.1.2.1 Personnel figures**

Group Management is based on a team of experienced and competent executives who are fully aware of their subject matter and market conditions, contributing to the smooth operation and further development of the Group.

A table showing the average number of employees of the company and the Group employed during the current and previous years, as well as the salary, wages and salaries and insurance charges, is broken down into categories as follows:

Amounts in € thousand		Group					
		Personnel average		Payroll		Social security expense	
2023	2022	2023	2022	2023	2022	2023	2022
751	783	21.724	21.477	5.351	5.199		

Amounts in € thousand		Company					
		Personnel average		Payroll		Social security expense	
2023	2022	2023	2022	2023	2022	2023	2022
593	531	17.065	15.211	3.656	3.261		

#### 2.1.2.2 Branches

The operating branches (except the company's headquarters on Mesogion Ave 312 as of 31.12.2023 are the following:

No	Establishment	Address
1.	Cholargos	302 Ave. Mesogion Cholargos
2.	Cholargos	6 Loch. Dedousi Str, Cholargos
3.	Thessaloniki	G.-I. Kar. & P. Kyriou, Thessaloniki
4.	Athens	Em. Mpenaki 59, Athens
5.	Patra	Gkotsi 26-28, Patra
6.	Crete	G. Gennimata 62, Crete
7.	Crete	G. Gennimata 43, Crete
8.	Ioannina	D. Hatzi 45, Ioannina
9.	Larissa	14 str Canada & N. Plasiira, Farsala
10	Cyprus	Griva Digeni 81-83 Nicosia
11.	Agia Paraskevi	Kondylaki 3, Agia Paraskevi
12.	Agia Paraskevi	318 Ave. Mesogion Cholargos and Kondylaki Str.

The company periodically monitors and evaluates the effectiveness of its geographic expansion through its branches.

## 2.2 SIGNIFICANT FACTS DURING THE YEAR 2023 AND THEIR IMPACT ON THE FINANCIAL STATEMENT

Significant facts that took place during the period from 1st January to 31st December 2023 are the following:

- On March 23, 2023, SPACE HELLAS announced the issuance of a joint bond loan with a total nominal value (capital) of nine million six hundred thousand euros (€9,600,000) based on the provisions of Law 4548/2018 (Articles 59 to 74) and Law 3156/2013 (article 14), as they apply to the financing of eligible costs of an investment project within the context of the Recovery and Resilience Fund (RAF). The issuer is SPACE HELLAS, and the bond lenders: a) the Hellenic State (bondholder A') at a rate of 62,5% and b) "ALPHA BANK JSC" (bondholder B) at a rate of 37,5%. The payment manager and representative of the bondholders is "ALPHA BANK STOCK". The loan will be used by the issuer for the implementation of its investment plan regarding its digital transformation with modern technologies and based on its needs, in the context of which (digital transformation) infrastructure upgrade, network upgrade, security upgrade and upgrade applications, and has been determined definitively eligible to receive funding through the TAA. The loan will have a duration of ten (10) years.

Also, on December 30, 2022 our subsidiary SINGULARLOGIC S.A entered into an agreement for the issuance of a joint bond loan with a total nominal value (capital) of six million four hundred thousand euros (€ 6.400.000) based on the provisions of Law 4548/2018 (Articles 59 to 74 ) and of Law 3156/2013 (article 14), as they apply to the financing of eligible costs of an investment plan within the context of the Recovery and Resilience Fund (RAF). The issuer is SINGULARLOGIC S.A. and bond lenders: a) the Hellenic State (bondholder A) at a rate of 62,5% and b) Optima Bank S.A.(bondholder B) at a rate of 37,5%. The payment manager and representative of the bondholders is Optima Bank S.A. The loan will be used by the issuer for the implementation of its investment plan regarding its digital transformation with modern technologies and based on its needs, in the context of which (digital transformation) infrastructure upgrade, network upgrade, security upgrade and upgrade applications, and has been determined definitively eligible to receive funding through the TAA. The loan will have a duration of ten (10) years.

- Thirty-sixth Ordinary General Meeting of Shareholders of 12-06-2023: The following agenda items were discussed and decided upon:
  - Topic 1: Submission and approval of the annual financial statements (corporate and consolidated) drawn up in accordance with international financial reporting standards for the corporate year 2022 (1/1/2022 - 31/12/2022) after the relevant reports and statements of the board of directors and the statutory auditor.

- Topic 2: Approval of the distribution of the results of the corporate year 2022 (1/1/2022 - 31/12/2022), including the distribution of dividends for the year in question. Provision of authorizations to the board of directors of the company.
  - Topic 3rd: Approval of the overall management that took place during the corporate year 2022 (1/1/2022 - 12/31/2022) and relief of the statutory auditors for the aforementioned corporate year in accordance with articles 108 and 117 par 1 para. c) Law 4548/2018.
  - Topic 4th: Election of an auditing firm of statutory auditors for (i) the audit of the annual and the overview of the interim financial statements (corporate and consolidated) for the corporate year 2023 (1/1/2023 - 31/12/2023), in accordance with international financial reporting standards, and (ii) issuing a tax certificate for the use in question, as well as determining the fee thereof.
  - Topic 5th: Submitting for discussion and providing an advisory vote on the remuneration report for the corporate year 2022 (1/1/2022 - 31/12/2022).
  - Item 6th: Approval of paid fees and compensations to the members of the board of directors for the corporate year 2022 (1/1/2022 - 31/12/2022) and pre-approval of fees and compensations for the corporate year 2023 (1/ 1/2023 - 31/12/2023).
  - Item 7th: Submission for approval of the new remuneration policy due to the lapse of four (4) years since its last approval in accordance with article 110 par. 2 sec. 2 n. 4548/2018.
  - Topic 8th: Submission of the audit committee's annual report to the shareholders for the 2022 corporate year (1/1/2022 - 31/12/2022).
  - Topic 9th: Announcing the decision of the company's board of directors to elect a new independent non-executive member of the board of directors to replace a resigned independent non-executive member and making a decision to confer the status of independent non-executive member of the board of directors to the new member elected by the board of directors. Confirmation of the number of independent non-executive members of the board of directors.
  - Item 10th: Submission of the reports of the independent non-executive members of the board of directors for the period from 1/1/2022 to 12/6/2023 in accordance with article 9 par. 5 of Law 4706/2020.
  - Item 11th: Various announcements.
- The Ordinary General Meeting of the shareholders of 12.06.2023 decided to distribute a dividend of a gross amount of 848,388,04 euros, i.e. a gross amount of 0,1314 euros per share to the shareholders,

with Beneficiary Determination Date: Tuesday, July 18, 2023, Cut-off Date: Monday, July 17, 2023, Dividend start date: Friday, July 21, 2023, and Paying bank Alpha Bank.

- On 16/6/2023, the company SINGULARLOGIC S.A paid in full the interest-bearing loan granted to it by SPACE HELLAS in accordance with the contract signed on 1 July 2021 and announced to the investing public by the 13-04-2021 decision of the Administrative Board Council of SPACE HELLAS for the provision of a special license, in accordance with articles 99 et seq. of Law 4548/2018, for the granting of an interest-bearing loan to SINGULARLOGIC S.A.in the form of a precautionary financing line and for a capital amount of up to €1.000.000,00 with repayment of the entire amount at maturity.
- Space Hellas S.A. sold its minority stake (39,97%) held in the share capital of "Epsilon SingularLogic SA" with the buyer company being "EPSILON NET S.A." and the price amounting to 11,8 million euros, while at the same time it purchased 39,933% of the company "SingularLogic Anonyme Company of Information Systems and IT Applications" (hereinafter "SINGULARLOGIC") from the company "EPSILON NET S.A." with the price amounting to 6,3 million euros. To determine the purchase price of the shares of SINGULARLOGIC S.A. and the sale price of the shares of Epsilon SingularLogic S.A., both the Equity of each company and the Reports of Independent Auditors were taken into account, from which it follows that the sales prices & acquisition correspond to the fair value of the companies SINGULARLOGIC SA and Epsilon SingularLogic SA. These two simultaneous transactions make SPACE HELLAS the owner of 99,933% of "SINGULARLOGIC" and "EPSILON NET S.A." shareholder with a percentage of 99,973% in the company "Epsilon SingularLogic SA", capitalizing on both sides the values that were created through the joint creative process of the two companies that started with the acquisition of 50%-50% of "SINGULARLOGIC" on 11/01 /2021. The successful joint effort will continue to exist in the common commercial and technological fields of cooperation that have been created and in the joint process of finding new products and solutions as originally planned by the managements of the two groups. According to the original plan, SINGULARLOGIC, as a member of the SPACE HELLAS group, focused on the field of large projects and clients, both private and public, and focused on the reorganization of the company, on capital reinforcement, on the strengthening of human resources, but also on all infrastructure of the company. The R&D and application development department was strengthened and the renewal of the software and applications supported by the company began vigorously. At the same time, created structures and processes were created, capable of providing 24-hour support with strict Service Level Agreements to the company's entire clientele. SINGULARLOGIC focused on creating new products and partnerships with international software houses and other Greek companies. Also, the



commercial penetration of the company in the market was significantly strengthened with the successful undertaking of projects that increased the outstanding amount by exploiting the synergies with the other companies of the group. Finally, within 2023, the company undertook and successfully executed three consecutive election contests and is preparing for the next ones. SPACE HELLAS, with the acquisition of 99,933% in its subsidiary SINGULARLOGIC, focuses on strengthening the group's leadership position in Digital Integration by leveraging the cooperation and tools from the largest software manufacturers worldwide, such as SAP, Microsoft, ServiceNow, etc., as well as self-produced SINGULARLOGIC software. With a comparative advantage of significant expertise in the integration and support of systems and applications and the integration of different technologies and services, SINGULARLOGIC focuses on medium and large private sector clients as well as targeted public sector projects with a multitude of systems and services.

- By decision of the regular general meeting of the shareholders on 27.6.2023, the capital of the subsidiary SENSE ONE TECHNOLOGIES MONOPROSOPI S.A. was reduced by the amount of six hundred and sixty thousand euros (€660.000,00), with an equal amount of write-off of the accounting losses and thus after the above, the share capital of the Company was established in the amount of six hundred thousand euros (€600.000,00) divided into forty thousand (40.000) shares with a nominal value of fifteen euros (€15,00) each. Thus, the company's share capital amounts to six hundred thousand euros (€600.000,00) divided into forty thousand (40,000) shares with a nominal value of fifteen euros (€15,00) each.
- On July 5, 2023, the company SINGULARLOGIC S.A. paid off in full the interest-bearing loan granted by SPACE HELLAS, based on the contract signed on December 14, 2022 and announced to the investing public with the decision of its Board of Directors dated 14-12-2022 for the provision of a special permit, in accordance with articles 99 et seq. of Law 4548/2018, which was required to allow for the granting of an interest-bearing loan to SINGULARLOGIC S.A. in the form of a preventive financing line for a capital amount of up to €1.500.000,00 with repayment of the entire amount to expiry.
- On June 16, 2023, SPACE HELLAS S.A. announced that:
  - A) The company's board of directors, at its meeting on 13-6-2023, unanimously decided the following:
    - The confirmation of the appointment of Mr. Eirinaios Theodoros as (independent) member (α) of the board of directors for the period until the end of the term of office of the board of directors,

which is six years and exceptionally extended until the end of the deadline, within which the next regular general meeting must be held and until the relevant decision is taken, i.e. in this case no later than September 10, 2026, subject to any repeat or postponed meeting as well as (b) the audit committee, definitively, for the same term.

-The confirmation of the appointment of Mr. Eirinaios Georgiou Theodoros as a member of the remuneration and nominations committee of the company, definitively and for the remainder of the committee's term, which is identical to that of the company's board of directors.

Following the above confirmation of the final appointment of Mr Eirinaios Theodoros as an independent member of the audit committee, the audit committee at its meeting on 14-6-2023, in accordance with its operating regulations and article 44 of Law 4449/2017, reassembled into a body as follows:

- Eirinaios G. Theodorou, Chairman, independent non-executive member of the company's board of directors.
- Emmanouil I. Chatiras, Member, independent non-executive member of the company's board of directors.
- Theodoros N. Chatzistamatiou, Member, non-executive Vice-President of the company's board of directors.

Likewise, the remuneration and nominations committee at its meeting on 14-06-2023, in accordance with its operating regulations and article 10 par. 3 of Law 4706/2020 was reconstituted into a body as follows:

- Emmanouil I. Chatiras, President, independent non-executive member of the company's board of directors.
- Theodoros N. Chatzistamatiou, Member, non-executive vice-president of the company's board of directors.
- Eirinaios G Theodorou, Member, independent non-executive member of the company's board of directors.

- On 07/12/2023, the General Assembly of the shareholders of SINGULARLOGIC CYPRUS decided to increase its share capital by the amount of €1.583.398,44 with the capitalization of obligations owed by the subsidiary SINGULARLOGIC CYPRUS to the parent SINGULARLOGIC S.A. and cash payment in the amount of €1.449,38. Following the above, the total share capital of the company amounts to €1.754.398,44, divided into 718.174 class A and 307.790 class B shares. SINGULARLOGIC S.A's

participation rate was 99,88% from 98,80% before the increase and corresponds to 718.174 class A shares and 306.590 class B shares, worth 1,71 each.

- On December 27, 2023, it was announced that in accordance with the applicable provisions of the legal framework and following its announcement of 13/11/2023, SPACE HELLAS S.A. Telecommunications, IT, Security Systems and Services - Private Security Services Company (hereinafter "SPACE HELLAS"), announces the following: On 22/12/2023 it was registered in the General Commercial Register (G.E.M.I.), with Code Registration number 3949731, the number 1007/22.12.2023 decision of the G.E.MH Service. of the Chamber of Commerce of Thessaloniki (AD: 6PPΣ469HPY-BΘΤΣ), which approved the division by spin-off of the branch of services and sales of integrated systems to retail and fuel companies Retail & Fuel (hereinafter "Retail & Fuel Branch") of the company with the name "SINGULARLOGIC ANONIME COMPANY OF INFORMATION SYSTEMS AND INFORMATION APPLICATIONS" and the distinguishing title "SINGULARLOGIC S.A.", a subsidiary of "SPACE HELLAS", and its contribution to the company under the name "EPSILON SINGULARLOGIC S.A." with number GE.MI. 157876205000, a subsidiary of the company "EPSILON NET S.A.", against the issue of 2.290.076 new common registered shares of "EPSILON SINGULARLOGIC S.A.", with a nominal value of €1,00 and an offer price of €1,31 each (hereinafter the "New Shares") in "SINGULARLOGIC S.A.", in accordance with the applicable provisions of Law 4601/2019 and Law 4172/2013. With the approval of the division by separation of the Retail & Fuel Branch, the following results were achieved: • The spin-off of the Retail & Fuel Branch of SINGULARLOGIC S.A. was completed. with a spin-off balance sheet date of 31/10/2023 and its contribution to the beneficiary EPSILON SINGULARLOGIC S.A., which is substituted as universal successor to the entire transferred property, as reflected in the accounting statement of the Retail & Fuel Branch (as of 31/10/ 2023) and formed until the day of completion of the separation. • The share capital of EPSILON SINGULARLOGIC S.A. was increased. by €2.290.076 with the issuance of New Shares for the benefit of the contributor to the Retail & Fuel Sector SINGULARLOGIC S.A. Finally, on the same date, i.e. on 22.12.2023, the transfer of the New Shares to EPSILON NET S.A. was completed. from SINGULARLOGIC S.A., against the agreed price of € 3.000.000, which was paid in full.

Given the energy crisis and inflationary pressures, as well as rising interest rates, it is difficult to predict the range of possible outcomes for the global economy at this point.

The future impact will be assessed in light of the going concern basis of accounting used in the preparation of these Financial Statements. With regard to the Group's activities, the Management

closely monitors developments by implementing emergency plans where necessary to limit possible adverse effects.

After the clarifications in the relevant paragraphs above, regarding the spread of the coronavirus, the energy crisis and the inflationary pressures that constitute a non-adjusting event, there are no other events subsequent to the financial statements that concern either the Group or the company and which are required to be reported by the International Financial Reporting Standards.

## 2.3 BUSINESS PERSPECTIVES FOR THE GROUP AND THE COMPANY

### 2.3.1 INTRODUCTION

The growth rate of the Greek economy for the whole of 2023 according to the first estimates is close to 2% and is at higher growth levels compared to the Eurozone. 2023 was marked by particularly tragic events such as the Tempe accident, the catastrophic flood in Thessaly and other natural disasters, which led to a redefinition of the state's priorities and had an impact on specific sectors of the economy.

At the same time, 2023 was a year of two parliamentary, municipal and regional election contests, which caused delays in the development of new projects and decision-making but also led to a significant increase in the income of Singular Logic, a subsidiary of the Space Hellas group, which executed the corresponding contracts for the collection and transmission of election results.

Despite any negative effects, the Space Hellas group, in 2023, continued its development course by implementing a number of very important projects in both the public and private sectors, having a significant amount of uncompleted projects.

At the same time, the group is constantly looking for new business opportunities and investments both in Greece and abroad.

### 2.3.1 PRIVATE SECTOR AND STATE-OWNED COMPANIES

In the **private sector**, the group's traditional clientele includes large banking organizations, telecommunications providers, retail chains, industries and energy providers. To clients such as OTE, NOVA, OPAP, Piraeus Bank, National Bank of Greece, Alpha Bank, Bank of Greece, DEDIE, ADMIE, PPC, ELPE, ELTA, AIA, FRAPORT, Medical Group, VELPI etc. Space Hellas executes projects and maintains support and service contracts, leveraging its know-how in a wide field of technological solutions in the field of ICT.

Space Hellas continues to place special emphasis on the needs of private sector organizations since the largest percentage of its revenue comes from there.

### 2.3.2 PUBLIC SECTOR

In the public sector, Space Hellas has a significant presence in organizations that have secured financing, and it chooses to compete in projects in which it has the know-how, and it has the necessary specialized and certified human resources in the technological objects that it undertakes in the role of Systems Integrator with its participation independently or /and in collaboration with stable and reliable partners, depending on the circumstances of each project. In the last five years, significant funds have been allocated for the digital transformation of the State, mainly from the Development Fund with very strict schedules, and Space Hellas is one of the important technological implementers with consistency in timely delivery, maintaining its good reputation.

An indicative list of the most important State projects under implementation are the following:

- ❑ Ministry of Education: "Supply and installation of interactive learning systems" (as a subcontractor), 32 million euros.
- ❑ Ministry of Education: "Supply and installation of laboratory equipment for Vocational Education and Training structures", 15,4 million euros.
- ❑ Ministry of Education: "Supply of robotics and STEM equipment for education", as subcontractor 8 million euros.
- ❑ Information Society (association of companies): "Modernization and strengthening of the existing on-premises infrastructure of the Government Computing Cloud (G-Cloud) and creation of a second hub and provision of Public Cloud & Platform services //AaaS//", 18 million euros.
- ❑ Information Society: SYZEFXIS II, Signing of execution contracts in a company association for the Subproject: 3: "Security, Telephony, Teleconferencing, Cabling" framework agreement of total budget 132,6 million euros including extension option plus VAT, and withholding amounts.
- ❑ Information Society: Project Syzeuxis II, Sub-project 5 (association of companies): "Central ISP & SLA Services" contract price 16,2 million euros plus VAT and withholding amounts.
- ❑ Information Society (association of companies): "Upgrading the network infrastructures of the PSD", 9,8 million euros.
- ❑ KTP (EMY): Installation of Meteorological Stations & Development of Internet Portal Infrastructure, 9,6 million euros.
- ❑ Information Society (association of companies): "National Telemedicine Network (EDIT)", 7 million Euros.

- ❑ Ministry of Justice (association of companies): Video conferencing services in courts and penitentiaries and provision of information services on the course of the courts' tables and exhibits (Electronic Board), 13,5 million euros.
- ❑ Information Society (Ministry of Foreign Affairs)/ (association of companies): Development - Expansion of Telecommunications Infrastructure of the Ministry of Foreign Affairs, 6,7 million Euros.
- ❑ Ministry of Foreign Affairs: Expansion and upgrade of data centers (Data Centers) of the Ministry of Foreign Affairs that host equipment of the EES, ETIAS, VIS and other Interoperability systems, 1,6 million Euros.
- ❑ Ministry of Citizen Protection: "Development of IT and Telecommunications systems to Strengthen the national ability to control and monitor external borders", 26 million euros.
- ❑ Ministry of Immigration and Asylum: Integrated digital Electronic and Physical Security management system with Cyber Security support for the protection of human life, property and operations of reception and hospitality structures for citizens of third countries 3,4 million euros.
- ❑ Region of Attica: Supply of Equipment for the completion of the construction of the AEK stadium, as a subcontractor, 2 million euros.
- ❑ Ministry of Shipping and Insular Policy: Supply of information and telecommunications equipment for the Headquarters of the Coast Guard - Hellenic Coast Guard, 2,5 million Euros.

Public works - to sign a contract:

- ❑ Information Society (association of companies): "Support to public bodies with the aim of complying with the European data protection regulation GDPR (General Data Protection Regulation)", 11,5 million euros.
- ❑ Ministry of Foreign Affairs: Development of a National Information System for the European Travel Information and Authorization System (ETIAS), 2,5 million Euros.
- ❑ CAA: Supply & Installation of Airport Terminal Area Automatic Information Broadcasting Service Systems (Voice/Data Link-ATIS) & Meteorological Information Automatic Broadcasting Service System, 1,8m Euro.
- ❑ Information Society (Ionian University): Infrastructure Upgrade, 1 million Euro.

The most important State projects - under evaluation are the following:

- ❑ Ministry of Shipping and Island Policy: "Development of the National System of Integrated Maritime Surveillance", 50 million euros. Participation as a subcontractor.

- ❑ EETT (association of companies): "Development of a Network of Fixed and Mobile Radio Frequency Spectrum Monitoring Stations, Wireless Digital Voice Network and Wireless Data Transmission Network" (Section-3), 4 million euros.
- ❑ Coast Guard: Procurement of a fingerprint/palm print acquisition and identification system (AFIS) - taking photos of a person/person, 1,6 million Euros.
- ❑ CAA: Procurement of Air Navigation Systems for the purpose of relocation of the Athens approach, 4,2 million Euros.
- ❑ EFKA: Supply of software for the management of the e-EFKA central user directory, the central management of the e-EFKA systems, 4,1 million Euros.
- ❑ Information Society (ISIS): Supply of Meteorological Stations for the Early Warning of Natural Disasters, 5 million Euros.
- ❑ Municipality of Trikkaia: Supply of Hardware Infrastructure for the Operation of the Digital Asklepiou - Asklepiou Park, 420 thousand Euros.
- ❑ GGET (as subcontractors): THORAX – Scalable Holistic Hybrid Operational Autonomous System, 49,1 million Euros (total budget).
- ❑ EDIKA (as subcontractors): Improving the Digital Readiness of Hospitals, framework 24 million euros. (total budget)

### 2.3.3 INTERNATIONAL PRESENCE

The international presence of the group through the subsidiaries in Cyprus, Malta, Serbia and Jordan, where Space Hellas is a licensed telecommunications provider, continues to be the main axis of extroversion and efforts to increase revenues from abroad. The main activity of the group abroad is the possibility of providing telecommunication services in more than 150 countries through 8 telecommunication hubs in cooperation with more than 320 international providers. It also selectively participates in ICT projects in which the Group has expertise and a competitive advantage.

Specifically, the updated list of the company's projects outside of Greece is as follows:

- ❑ **Armenia:**
  - ❑ Participation as a member of an association of companies in an RFI for the procurement and operation of a National Secure Document Production System.
- ❑ **Cyprus:**
  - ❑ Implementation of a contract for the Access control System of the City of Dreams Mediterranean International Casino Resort Limassol, 1 million euros.

- ▣ Continuation of 13 years of service to the Department of Meteorology for the project "Provision of Meteorological Radar Services" for the Government of the Republic of Cyprus, Ministry of Agriculture, Rural Development and Environment.
- ▣ Support for the ticketing and access control system at the GSP stadium in Nicosia.
- ▣ Evaluation of an offer to the Cyprus Police for premises surveillance systems.
- ▣ Bid evaluation (as a subcontractor) in the Integrated Municipality System tender, 5,7 million euros.
- ▣ Bid evaluation in the tender of the Ministry of Foreign Affairs for the ETIAS project, 8,5 million euros.
- ▣ Bid evaluation (as a subcontractor) in the Ministry of Foreign Affairs tender for the VIS project, 14,5 million euros.
- ▣ **Malta:**
  - ▣ Continue the 7-year hybrid cloud service contract with the Maltese Government (MITA: Malta IT Agency).
- ▣ **Jordan**
  - ▣ Provision of telecommunication services through the subsidiary company Space Arab Levant Technologies.
- ▣ **Serbia:**
  - ▣ Provision of telecommunication services through the subsidiary company Space Hellas D.O.O. Belgrade-StariGrad.
- ▣ **Germany:**
  - ▣ Provision of telecommunications services and interconnection with international data networks and cloud providers.

#### 2.3.4 RESEARCH AND DEVELOPMENT

In the field of research and development (R&D), twenty-nine (29) projects (European and National) are underway, with a total amount of funding for Space Hellas of approximately 10,39 million euros. Space Hellas participates with particular success in the programs of the European Commission (Horizon Europe, EDF, Digital Europe), holding a leading role in the EU in Cyber Security, Artificial Intelligence, advanced 5G/6G Communication Systems, and Quantum Systems of secure communications as well.

In addition, within the first half of 2024, four new approved projects of the Horizon Europe Program are being contracted, with total funding for Space Hellas of €1,57 million, while the results of the evaluation of eleven (11) more projects of the Horizon Europe and European Defense Fund programs are awaited in total financing for Space Hellas €7 million.



The aim is to acquire know-how and develop innovative solutions and applications that can strengthen the company's commercial activity in new areas and differentiate it from the competition.

Space Hellas participates in two Private Capital Companies - Technovlastos with the aim of exploiting the results of scientific research and know-how:

- π-NET Emerging New Generation Networks and Applications.
- Competence Center for Industry 4,0 from Design to Implementation.

Space Hellas also participates, as a Full Industry Member, of the 6G Infrastructure Association (6G IA), which is the voice of the European industry for research and innovation in next-generation networks and services.

#### **2.3.5 PERSPECTIVES**

The international developments from the two fronts of the war in Ukraine and the Middle East and the recent deterioration of the war scene with the involvement of Iran and Israel certainly create intense reflection on the effects on the international economy, international transport and energy costs. Nationally, 2023 was a year marked by an unprecedented increase in natural disasters and the tragic Tempe accident. These events caused the reallocation of state budget funds and the partial redesign of the Recovery and Resilience Fund (RRF) resources that may affect the future planning of some digital transformation projects for the coming years.

The growth course of the Greek economy with rates greater than the Eurozone and its gradual return to the investment grade by international houses create an optimistic investment climate in many sectors and compensate for the negative international climate.

The technology space continues to be an important tool to accelerate investment plans but also to transform many organizations with the use of modern Data Centers, cloud services, smart applications and the utilization of IoT devices where the use of artificial intelligence is increasingly extended to the management of large volumes data and the automation of digital systems. In such a digitally developed world, the field of cyber security and the protection of sensitive personal data as well as critical infrastructure in which Space Hellas operates is one of the national priorities that has ramifications and partnerships both at the European level with very significant funds and partnerships with technology companies global scope.

The change in the shareholding of Singular Logic with the acquisition by Space Hellas of 99,93% and the sale of the percentage it held to Epsilon SingularLogic in September 2023 strengthened the funds of

Space Hellas and it creates the conditions for better targeting of the group's companies in products and services related to the clientele of large private sector groups and the preparation for claiming new government digitization projects.

The growth path of Space Hellas with the companies of the SingularLogic group in the field of software, with SenseOne in IoT, with Web-IQ in Open Source Intelligence and with AgroApps in Smart Agriculture for the next years is focused on strengthening human resources, the investments in R&D to acquire know-how and create innovative solutions and applications, the upgrading of infrastructures and possible acquisitions of companies that expand products and services.

## **2.4 RISK MANAGEMENT AND HEDGING POLICY**

The Group and the Company, in the context of normal business activities, are exposed to a series of financial and business risks and uncertainties linked both to the general economic situation and to the more specific conditions emerging in the industry.

The constant targeting of the Company and the Group to improve specialized know-how, the continuous investment in well-qualified human resources and the constantly improved infrastructures combined with the development of new products help the Group to be competitive and approach new markets, limiting risks.

In addition, the significant amount of uncompleted projects, the commitment to adapting the group's structures to the new business environment and the continuous evaluation of business opportunities with a view to creating goodwill give us the right to believe that we will meet the needs of the critical year ahead.

The Group is exposed to the following:

### **□ Financial Risk Factors**

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

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

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

#### □ Foreign Exchange Risk

The Group's exposure to currency risks comes mainly from existing or expected cash flows in foreign currency (imports - exports). The management of the Group constantly monitors the fluctuations and the trend of foreign currencies and evaluates each case separately, taking the necessary measures where necessary through agreements to cover exchange risks.

The situation shaped today by both the war in Ukraine and the energy crisis, as well as the rising trend of interest rates worldwide, inevitably also affects exchange rates. The management of the exchange risk requires complex policies that link the exchange risk coverage tools (currency options) with the commercial and cost strategy of the Group. The rapid changes oblige us to closely monitor offers and contracts that include currency risks, reform them where possible and cover the currency risk using futures contracts.

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

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

Currency	31.12.2023		31.12.2022	
USD	Exchange rate variation	Effect on profit before tax	Exchange rate variation	Effect on profit before tax
	7%	-900	7%	-700
	-7%	900	-7%	700

#### □ Price Risk

The Group does not own any negotiable securities and, therefore, is not exposed to the risk of changes in the stock market prices of securities.

The Group is mainly exposed to changes in the value of the goods it supplies, and therefore, its inventory policy and commercial policy are adjusted accordingly. To deal with the risk of the obsolescence of its stocks, the Group implements rational management and administration of them, in combination with the projects and sales they concern. The nature of the market in which we operate (medium and large market) gives us the right to manage stocks by project and type of sales.

The complexity of the projects, which requires the composition of more than one product to complete the delivery phases, requires that the management of the orders is done with the main idea of the delivery time of the goods and not the minimization of the holding time in the warehouses, considering the completion of the projects in conventional times primary objective. For the same reason, the Group invests significantly in the field of Project Management by empowering the teams with specialized human resources and also by using modern project management tools with the aim of smoothing out the problems that arise as much as possible. The careful management of projects in terms of continuous control of costs and schedules is imperative.

#### □ Interest Rate Risk

The Group's operating profits and cash flows are partially affected by changes in interest rates.

The Group's policy is to constantly monitor interest rate trends as well as the duration of financing needs. Therefore, decisions on the duration, as well as the relationship between fixed and variable costs of a new loan, are made individually for each case and at each point in time. Therefore, the majority of loans have been concluded with variable interest rates.

The period we are going through is characterized by trends of high interest rate fluctuations, which will inevitably affect both the financial cost of project management and the cost of investments. As the majority of loans have been contracted with floating interest rates, the group intervenes using interest rate risk management tools (interest rate swaps) for part of the loans contracted. An important factor taken into account is the Euribor interest rate curve, which is subject to continuous observation and leads to decisions to cover interest rate risks as much as possible.

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

Currency	31.12.2023		31.12.2022	
	Interest rate variation	Effect on profit before tax	Interest rate variation	Effect on profit before tax
euro	250	-250	250	-1.100
	-200	250	-200	1.100

#### ▣ **Credit Risk**

Credit risk arises from cash and cash equivalents, bank deposits, derivative financial instruments, and credit risk exposures from customers.

Trade receivables come mainly from large organizations in the private and public sector. The financial position of the customers is closely monitored and redefined according to the new conditions. The Group evaluates the creditworthiness of each customer, either through an independent rating body or internally taking into account its financial position, previous transactions and other parameters, monitoring the amount of credit provided. Customer credit limits are set based on internal or external ratings in accordance with limits set by the Management.

The current situation, which is made up of both geopolitical instability and the fight against inflation, leads to an increase in production costs with a simultaneous increase in financial expenses. The structure of the Group's clientele, which consists of medium-sized and large private-sector clients, as well as large public-sector clients involved in the digitization of the country, reduces the above risk.

For special credit risks, provisions are made for losses, taking into account the data that arise on a case-by-case basis. The rescheduling of collections is a matter to be managed but is not linked to the creditworthiness of our debtors.

To minimize the credit risk on cash and cash equivalents, the Group under policies approved by the Board of Directors sets limits on the amount to be exposed. Also with regard to money market instruments, the Group only does business with recognized financial rating institutions.

#### ▣ **Liquidity Risk**

Liquidity risk is addressed both by the steady flow of receipts and by securing sufficient cash from bank financing (focusing on on-the-project basis funding), which is based on the excellent relationship the company has with the largest credit institutions in the country and provides sufficient credit lines to finance our business plans.

Medium-long-term strategic plans are financed by long-term funds with particular attention to the costs that follow them and the timing of their repayment.

In addition, excellent relationships with our suppliers, which are based on long-lasting, reliable and stable relationship, provide us with significant help in trying to smooth cash flow.

The table below summarizes the maturity profile of financial liabilities for 31.12.2023 and 31.12.2022, respectively.

Amounts in € thousand	Group							
	Total		Less than 1Year		1 to 5 years		>5years	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Borrowings	72.761	70.602	41.670	22.683	24.591	41.419	6.500	6.500
Leases	3.503	2.699	1.028	1.253	2.475	1.446	0	0
Trade and Other liabilities	64.430	66.420	64.430	66.420	-	-	0	0

Amounts in € thousand	Company							
	Total		Less than 1Year		1 to 5 years		>5years	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Borrowings	65.610	66.523	38.049	20.263	21.061	39.760	6.500	6.500
Leases	3.079	1.835	857	661	2.222	1.174	0	0
Trade and Other liabilities	55.716	57.966	55.716	57.966	0	0	0	0

#### □ Capital Management

The primary objective of the Group's capital management is to ensure the maintenance of its high credit rating and healthy capital ratios so that the Group's activities can be supported and expanded.

The leverage ratio is calculated by dividing net borrowing by total capital employed.

Amounts in € thousand	Group		Company	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Short term Borrowings	41.670	22.683	38.049	20.263
Long term Borrowings	31.091	47.919	27.561	46.260
<b>Less: cash and cash equivalents</b>	<u>-25.088</u>	<u>-29.185</u>	<u>-19.790</u>	<u>-27.329</u>
<b>Net Debt</b>	<b>47.673</b>	<b>41.417</b>	<b>45.820</b>	<b>39.194</b>
Equity	<u>28.183</u>	<u>30.632</u>	<u>25.605</u>	<u>23.315</u>
<b>Total capital employed</b>	<b>75.856</b>	<b>72.049</b>	<b>71.425</b>	<b>62.509</b>
<b>Gearing ratio</b>	<b>62,85%</b>	<b>57,48%</b>	<b>64,15%</b>	<b>62,70%</b>

The participation of the company and the Group in the important digitization projects carried out in the country increases the operational profitability and is expected to create in the medium-long term an important source of fixed service contracts.

At the same time, the financing of the aforementioned projects, which exceeds the horizon of one financial year in combination with the continuous increase in turnover and the implementation of the medium-long-term investment plan, affects the leverage factor through the increase in net debt.

▣ **Risk factors related to Project Planning and Execution**

SPACE HELLAS, through its business activities, is exposed to potential risk factors related to the undertaking and completion of project execution, such as cost and schedule overruns, incomplete understanding of the complexity of key factors necessary for the successful completion of the project, the non-thorough evaluation of the contractual terms and conditions of the project, the lack of monitoring of the progress of the project, as well as the ineffective management of non-compliance with contractual commitments by third parties (withdrawal from the project).

- ▣ Proper execution and delivery of projects is a key priority for SPACE HELLAS, which is achieved through a structured project planning and monitoring process as well as through long-term, strong business relationships with key stakeholders. The Integration Services Division is staffed with well-qualified human resources. Planning, monitoring and reporting on the progress of projects is achieved through established project management procedures at regular intervals, which are reviewed and updated whenever deemed necessary. SPACE HELLAS clearly defines the roles, responsibilities, milestones and corresponding tasks before they start, ensuring the optimal composition of the teams that will execute the project and the timely planning of the activities. The stages of preliminary control and planning of each project include risk identification and assessment actions. In addition, SPACE HELLAS carries out thorough evaluations of its suppliers, subcontractors and external partners before entering into any business agreement and throughout the execution of the projects. In addition, the project teams, in full cooperation with the Integration Services Division, conduct a debriefing at the end of each project in order to gain an overview of the overall execution and results, with the aim of drawing conclusions that will improve performance in future projects.

▣ **Risk factors related to Human Resources**

Human Resources Risk involves the potential difficulty in attracting, hiring and retaining human resources, which is primarily due to the lack of talent in the market or the potential inability to create a

positive work environment due to a lack of effective communication with employees or ensuring the continuity of critical operations due to inadequate placement planning.

SPACE HELLAS Group considers its people a necessary element for its smooth operation, and its priority is to attract, recruit and retain specialized personnel. This is achieved by ensuring a desirable working environment and an effective industrial relations framework that enables the development of its employees.

Defined human resources policies and procedures, identification of critical positions within the organization and development the corresponding succession plans, and recruitment practices that ensure the selection of suitable and competent executives with merit and equal treatment, the continuous training and development of employees aimed at empowering personal and technical skills and abilities, providing incentives, both at the level of remuneration and benefits as well as at the level of development and growth opportunities, with the aim of increasing the commitment and retention of employees as well as the integration, into the daily operations, of the principles of diversity, equality and equal opportunities, are factors that help in this direction.

▣ **Risk from effects of climate change.**

Climate change has made the occurrence of unpredictable situations more frequent with unpredictable consequences. Due to their nature, such phenomena affect those parts of the economy that, on the one hand, are related to weather phenomena, such as the primary sector, but also to the direct effects of floods and fires that could affect tourism businesses. The Group and the Company currently have zero exposure to both the primary sector and tourism businesses.

▣ **Risk of COVID-19 spread**

The health crisis of COVID-19 had led the global economy into a period of uncertainty and instability. The uncertainty that has prevailed worldwide for two years since the outbreak of the pandemic has subsided, and trading activity has returned to normal to a large extent. The Space Hellas Group estimates that, in the context of its obligation to publish information (market disclosure), there is no significant impact on its fundamental figures and financial situation at the present stage.

▣ **Risk regarding geopolitics and the energy crisis.**

The indicator of the economic climate, both at the global and European level, shows signs of recession, as the geopolitical crisis in Ukraine continues and the crisis in the Middle East was added, which suspended or delayed the effort to de-escalate inflation and consequently reduce costs money through lower interest rates.



The beginning of 2022 was affected by Russia's invasion of Ukraine, which marked the beginning of a war that is still ongoing. At a time when Europe, as well as the whole world, was recovering from the shock of the pandemic before it could return to "normality", it was faced with a new, unprecedented condition that strengthened economic and social instability.

At the beginning of 2024, we have another extreme escalation, in the sense of the blockade by Iran (with the cooperation of the Houthis of Yemen) of the Straits of Hormuz and, recently, the crisis in the Middle East. In the event that the above rekindle a new energy crisis (escalation of oil and natural gas prices and an upward trajectory of Europe's inflation), conditions of economic instability will be created again.

On the other hand, in 2023, the Greek economy showed particular resilience despite the unfavourable external environment, both in terms of strengthening economic activity and creating new jobs. As for the year 2024, the forecast for the average annual growth rate of the Greek economy amounts to 2,2%, an estimate according to which the Greek economy is expected to remain on an upward trajectory, maintaining a satisfactory rate of GDP growth. The historically high performance of tourism, the increase in private consumption, the acceleration of capital spending related to the Recovery Fund and the investments postponed from 2023, including reconstruction projects in Central Greece, are expected to provide a significant boost to GDP in 2024.

The 4th payment request, amounting to €2,3 billion, was recently submitted for the loan component of the Recovery and Resilience Fund (RESF).

As stated in an announcement by the Ministry of National Economy and Finance, the specific request was submitted after TAA's goal of contracting loans, amounting to 4,52 billion euros, was achieved earlier than expected.

The Group has zero exposure to the markets of Ukraine and Russia as they are not part of its supply chain, nor do they contribute to the turnover. Thus, no negative effects are expected due to the economic sanctions of the EU and the countermeasures of the Russian Federation against the member countries of the EU. Regarding the Middle East, our subsidiary in Jordan Space Arab Levant Technologies operates in the field of remote access and management of telecommunication provision services and is not affected by any negative developments.

The Group's Management, realizing the above challenges in time and taking appropriate and targeted measures per risk area, as has been thoroughly analyzed above, manages to keep the Group's activity unaffected and, at the same time, record historically high performances.

## **2.5 IMPORTANT TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES**

Each affiliated company follows the rules regarding transparency, independent financial management, accuracy and correctness of its transactions, as defined by law. Transactions between the Company and its affiliated companies are carried out at a price or consideration which is comparable to that which would be carried out if the transaction was carried out with any other third party, natural or legal person, with the conditions prevailing in the market at the time of the transaction.

The following transactions concern transactions with related parties, as defined by IAS 24, cumulatively from the beginning of the financial year until its end, as well as the balances of the receivables and liabilities of the company and the group at the end of the current year, which have arisen from the specific transactions of the related parties.

The commercial transactions of the Group and the Company with its affiliated persons during the year have been carried out in compliance with the usual market conditions.

The Group and the Company do not engage in any transaction of an unusual nature or content which is material to the Group, or the Companies and persons closely related to it and does not intend to engage in such transactions in the future. None of the transactions contain special terms and conditions.

The following tables present the main intercompany transactions between the Company, its subsidiaries, associates, other companies, and the members of the Management, both during the examined period and during the previous period.

Amounts in € thousand	Revenue from dividends		Sales		Income from interest		Total income- Parent company		Total income- Group	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
SPACE HELLAS (CYPRUS) LTD	568	363	146	146	-	-	714	509	-	-
SPACE HELLAS (MALTA) LTD	-	-	3	2	-	-	3	2	-	-
SPACE HELLAS D.o.o. BEGRAD	-	-	3	3	-	-	3	3	-	-
SPACE ARAB LEVANT TECHNOLOGIES LLC	-	-	-	-	-	-	0	0	-	-
Sense One Single member S.A.	-	-	41	40	-	-	41	40	-	-
SingularLogic S.A.	-	-	1.513	1.367	66	57	1.579	1.424	-	-
<b>Total Subsidiaries</b>	<b>568</b>	<b>363</b>	<b>1.706</b>	<b>1.558</b>	<b>66</b>	<b>57</b>	<b>2.340</b>	<b>1.978</b>	<b>0</b>	<b>0</b>
Web-IQ B.V.	-	-	83	63	-	-	83	63	83	63
AgroApps P.C.	-	-	-	-	-	-	0	0	0	0
<b>Total Associates</b>	<b>0</b>	<b>0</b>	<b>83</b>	<b>63</b>	<b>0</b>	<b>0</b>	<b>83</b>	<b>63</b>	<b>83</b>	<b>63</b>
MOBICS S.A.	-	-	-	-	-	-	0	0	0	0
<b>Total other related parties</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>568</b>	<b>363</b>	<b>1789</b>	<b>1621</b>	<b>66</b>	<b>57</b>	<b>2.423</b>	<b>2.041</b>	<b>83</b>	<b>63</b>

Amounts in € thousand	Total Company expenses		Total Group expenses	
	2023	2022	2023	2022
SPACE HELLAS (CYPRUS) LTD	64	35	-	-
SPACE HELLAS (MALTA) LTD	30	-	-	-
SPACE HELLAS D.o.o. BEGRAD	45	31	-	-
SPACE ARAB LEVANT TECHNOLOGIES LLC	402	322	-	-
Sense One Single Member S.A.	190	121	-	-
SINGULARLOGIC S.A.	17	38	-	-
<b>Total Subsidiaries</b>	<b>748</b>	<b>547</b>	<b>0</b>	<b>0</b>
Web-IQ B.V.	67	63	67	63
AgroApps P.C.	80	0	0	0
<b>Total Associates</b>	<b>147</b>	<b>63</b>	<b>67</b>	<b>63</b>
MOBICS S.A.	0	0	0	0
<b>Total other related parties</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>895</b>	<b>610</b>	<b>67</b>	<b>63</b>

Amounts in € thousand	Total Receivables - Company		Total Receivables - Group	
	2023	2022	2023	2022
SPACE HELLAS (CYPRUS) LTD	276	189	-	-
SPACE HELLAS (MALTA) LTD	0	0	-	-
SPACE HELLAS D.o.o. BEGRAD	0	0	-	-
SPACE ARAB LEVANT TECHNOLOGIES LLC	0	-	-	-
SingularLogic S.A.	64	629	-	-
Sense One Single Member S.A.	390	157	-	-
<b>Total Subsidiaries</b>	<b>730</b>	<b>975</b>	<b>0</b>	<b>0</b>
Web-IQ B.V.	5	7	5	7
AgroApps P.C.	0	0	0	0
<b>Total Associates</b>	<b>5</b>	<b>7</b>	<b>5</b>	<b>7</b>
MOBICS S.A.	0	0	0	0
<b>Total other related parties</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>735</b>	<b>982</b>	<b>5</b>	<b>7</b>

Amounts in € thousand	Total Liabilities - Company		Total Liabilities - Group	
	2023	2022	2023	2022
SPACE HELLAS (CYPRUS) LTD	110	46	-	-
SPACE HELLAS (MALTA) LTD	35	-	-	-
SPACE HELLAS D.O.O. BEORGRAD	0	44	-	-
SPACE ARAB LEVANT TECHNOLOGIES LLC	34	35	-	-
Sense One Single Member S.A.	0	0	-	-
SINGULARLOGIC S.A.	4	0	-	-
<b>Total Subsidiaries</b>	<b>183</b>	<b>125</b>	<b>0</b>	<b>0</b>
Web-IQ B.V.	8	60	8	60
AgroApps P.C.	50	-	-	-
<b>Total Associates</b>	<b>58</b>	<b>60</b>	<b>8</b>	<b>60</b>
MOBICS S.A.	-	-	-	-
<b>Total other related parties</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>241</b>	<b>185</b>	<b>8</b>	<b>60</b>

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

#### Table of Key Management Compensation:

Amounts in € thousand	Group		Company	
	2023	2022	2023	2022
Salaries and other employee benefits	2.497	2.440	1.440	2.263
Receivables from executives and members of the Board	2	2	2	2
Payables to executives and member of the Board	0	19	0	19

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

The transactions and remuneration of managers and members of the Management in 2023 have been significantly differentiated in relation to the previous year as within the year 2022, an amount of €859 thousand was accounted for as extraordinary remuneration in execution of the 22/6/2022 decision of Ordinary General Meeting of the shareholders and the decision of 30/6/2022 of its Board of Directors, SPACE HELLAS, of the allocation of a total of 103.308 own shares to the two beneficiaries thereof, i.e. to the CEO of the company, Mr. Ioannis Mertzanis, and to the Financial Director of the company, Mr. Ioannis Doulaveris.

#### Tables of Guarantees to third parties:

Amounts in € thousand

	Group		Company	
	2023	2022	2023	2022
Guarantees to third parties on behalf of subsidiaries and joint ventures	28.730	19.155	28.730	19.155
Used guarantees to third parties on behalf of subsidiaries	10.541	5.528	10.541	3271
Letters of guarantee for advance payment, good execution and counter-guarantee	0	0	0	0

- The company had guaranteed against banks, for its subsidiary SINGULARLOGIC S.A., a total amount of 28.730 thousand €; out of the approved guaranteed financing limits, the amount used amounts to 10.541 thousand €.

## 2.6 ALTERNATIVE PERFORMANCE MEASURES

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

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

EMMA should always be considered in conjunction with the financial results prepared under IFRSs and should under no circumstances be considered as replacing them. The Group uses the Custom Indicators (EMMA) to better reflect the financial and operating performance related to the Group's activity as such in the reference year as well as the corresponding previous comparable period.

### Adjusting elements

Figures influencing the adjustment of the indices used by the Group to extract the ALPs according to the first half of financial statements 2023 and the corresponding financial statements of the prior period are the provisions for trade receivables impairment.

The elements affecting the adjustment of the indicators (ALPs) on 31.12.2023 and 31.12.2022 are shown in the table below:

Amounts in € thousand	Group	
	31.12.2023	31.12.2022
Comprehensive Income Statement		
Provisions for impairment	-5	-240
<b>Total</b>	<b>-5</b>	<b>-240</b>

Based on the above adjustments, the EMMA's used by the Group are formed as follows:

#### Adjusted EBITDA

The adjusted EBITDA of the current year shows a marginal difference in relation to the EBITDA, while compared to the previous year the adjusted EBITDA is increased by 70,12%.

#### Adjusted EBIT

The adjusted EBIT of the current year shows a marginal difference in relation to the EBIT, while compared to the previous year the adjusted EBITDA is increased by 66,12%.

#### Adjusted Cash Flows After Investments

The Adjusted Cash Flows after investments for the current period, compared to the previous period, it shows a marginal difference in relation to Cash Flows after investments.

#### Adjusted Net Borrowing

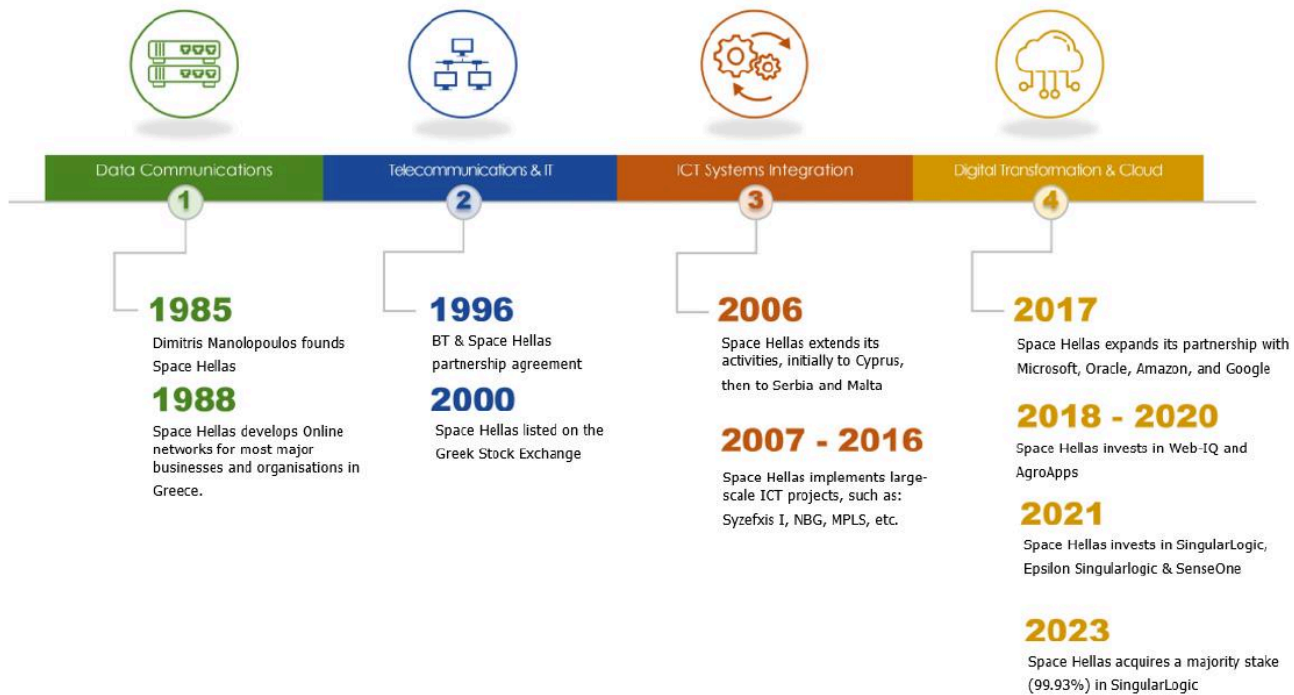
Both in the current and the previous period, the adjusted Net borrowing is almost equal to the net borrowing.

Regarding the definition and basis of the calculation of EDMA, a more detailed analysis is contained in note 4.7 of this financial report.

## 2.7 NON-FINANCIAL INFORMATION



More than 37 years of innovation and cutting-edge technology



The Group offers IT, telecommunications, and security services and solutions, creating added value for all stakeholders. The Group's business model reflects the range of its activities, as well as its competitive advantages that allow it to pursue a successful trajectory.

## Our resources

### Facilities

- More than **40** service points across Greece
- Subsidiaries in **4** countries
- **8** branches
- **9** Space Hubs

### Financial resources

- Continuous growth and profitability
- **€17.5 million** in investments

### Human capital

- **770** employees
- **550+** specialised professionals
- **67** developers

### Partnerships

- Extensive network of specialised partners
- Intelligent partnerships

### Intangible resources

- **R&D** and continuous innovation
- High specialisation
- User licenses

## Business Model

### Value proposition

We offer innovative cutting-edge technological solutions and drive the digital transformation of our customers. The solutions we offer bring competitive advantages and create new business models, creating opportunities for sustainable development and business resilience.

### Added value solutions

- Enterprise Software
- Business Workflow Optimization
- Vertical Markets Software
- e-Government Solutions
- Custom Software
- Physical Security
- Security
- UCC
- Networks
- IT Systems

### Our competitive advantages

-  Specialisation
-  Efficiency
-  Response
-  Effectiveness
-  Availability

### Our customers

- Industries
- Enterprises
- Government bodies
- Local authorities
- Specialised sectors
  - Agricultural
  - Health
  - Financial
  - Retail
  - Energy

## The value we create

### for the economy

**€148.1 million** turnover  
**€24.4 million** in taxes paid  
**€104.5 million** in purchases from suppliers  
**135.1%** increase in investments

### for employees

**€29** million in wages and benefits  
**6.4** hours of employee training per year on average  
**0** work accidents  
**183** new hires  
**10.4%** wage gap  
**99.6%** full time employees  
**€186,000** in Health & Safety investments

### for society

**€260,000** investments in social actions  
**86%** local suppliers  
**75%** hires from internships  
**19** research programmes in progress  
**€2.35 million** in R&D investments

### for the environment

**10%** reduction in electricity consumption  
**51%** reduction in facility oil consumption





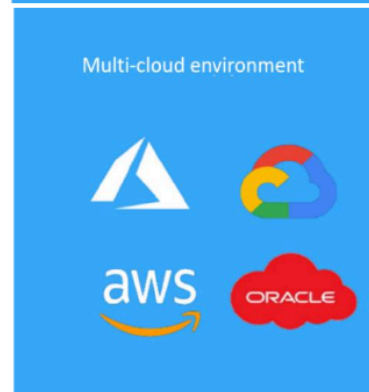
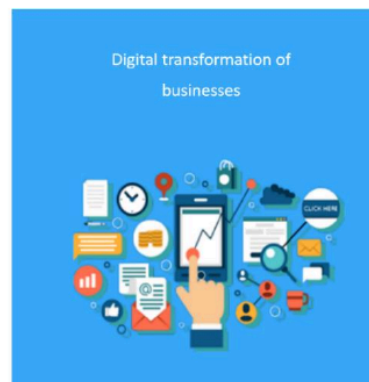
## Forces that shape our industry

Focusing on technological progress and changing socio-economic needs, Space Hellas Group is committed to the principles of sustainable development. It is always ahead of the curve, introducing and implementing innovation, and integrating megatrends at the core of its strategy. Through this dynamic approach, it immediately adapts to new challenges, strengthening its leadership position with its continuous profitability and its know-how.

The Group's focus on critical cybersecurity, digital transition, and next-generation communications services confirms its dynamic response to the challenges of the modern era. This approach enables it to develop solutions that are fully aligned with the current and future needs of the economy and society. Through the targeted training and growth of employees, Space Hellas ensures that every new technological development is part of a strategy which focuses on sustainability and the promotion of social welfare. This not only encourages innovation and continuous research but also strengthens the Group's commitment to create solutions that meet the demands of current challenges while contributing to a more sustainable and just world.

A typical example of such trends is the frequency and complexity of cyberattacks, which leads to an increased focus on cybersecurity and its reinforcement, making it a fundamental pillar of sustainability. Recognising the urgent need for such services, Space Hellas Group has responded by offering advanced data protection and security services to safeguard the integrity of digital infrastructures and data in the private and public sectors.

Simultaneously, the need for digitalisation and the adoption of Cloud solutions, as a significant market trend oriented towards sustainable development, found Space Hellas ready to respond with innovative and targeted services that upgrade businesses and modernise the public sector.



On the other hand, artificial intelligence (AI) has become a critical factor in the development of technology and services, creating opportunities and risks in all digital systems. In this complex environment, Space Hellas is taking advantage of the opportunities offered by AI, while implementing strategies to reduce emerging risks, thus enhancing performance and flexibility across all sectors.

Moreover, the implementation of 6G technologies is a pillar of research and development for the Group, which integrates advanced communication and Internet of Things (IoT) technology into the range of communication solutions it offers.

Lastly, the digital transformation of enterprises and social structures is no longer an optional trend, but a necessity for ongoing development, ensuring effectiveness and excellence in all systems. Through monitoring and incorporating global trends, the Group focuses its research and development on the creation of solutions that offer added value. This process allows the company to dynamically adapt to market changes, predict customer needs and enhance the quality and reliability of its services and products. Thus, the Group responds effectively to the complex and constantly changing needs of the modern business environment.

#### **Our mission is sustainable development**

At the centre of the new digital age, the Group stands out as a pioneer Digital Integrator and Provider of Value-Added Services, playing a catalytic role in the digital transformation of enterprises and organisations both in Greece and internationally. For over 35 years, it has been offering innovative technological solutions and services that promote growth and development, supporting sustainable entrepreneurship and social progress. With a deep knowledge of telecommunications, information technology and security, and a broad range of collaborations with leading tech firms worldwide, its mission is to strengthen every business initiative with reliable, secure, and customised digital solutions. The Company's commitment to research, innovation and excellence shapes the core of its philosophy, while continuous investment in human resources and seamless cooperation with customers are the foundations upon which the long-term success and sustainability of the solutions it offers are built. At Space Hellas we envisage a future where technology and innovation unite to overcome all challenges, and it is for this reason that we are actively promoting digital transformation as an axis of sustainable growth and prosperity.

Enhancing innovation, openness, excellence, and research helps expand our activities, while promoting the principles of sustainable development and enhancing our resilience and competitive advantages.