ATHEX
Athens Stock Exchange

HELLENIC EXCHANGES – ATHENS STOCK EXCHANGE S.A.

2019 ANNUAL FINANCIAL REPORT

For the period 1 January 2019 – 31 December 2019

In accordance with the International Financial Reporting Standards

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1. DECLARATIONS BY MEMBERS OF THE BOARD OF DIRECTORS

(in accordance with article 5 of Law 3556/2007)

WE DECLARE THAT

1. to the best of our knowledge, the separate and consolidated Financial Statements of the Group and the Company, which have been prepared in accordance with the International Financial Accounting Standards in effect, reflect in a true manner the assets, liabilities and equity on 31.12.2019 and the results for 2019 of HELLENIC EXCHANGES-ATHENS STOCK EXCHANGE S.A. (ATHEX), as well as of the companies that are included in the consolidation taken as a whole;

2. to the best of our knowledge, the attached report of the Board of Directors for 2019 reports in a truthful manner the performance and position of HELLENIC EXCHANGES-ATHENS STOCK EXCHANGE S.A. (ATHEX), as well as of the companies that are included in the consolidation taken as a whole, including a description of the main risks and uncertainties that they face;

3. to the best of our knowledge, the separate and consolidated Financial Statements for 2019 are those that have been approved by the Board of Directors of HELLENIC EXCHANGES-ATHENS STOCK EXCHANGE S.A. (ATHEX) on 30.03.2020 and have been published by being uploaded on the internet, at www.athexgroup.gr.

Athens, 30 March 2020

THE CHAIRMAN OF THE BoD	THE CHIEF EXECUTIVE OFFICER	THE MEMBER OF THE BoD
GEORGE HANDJINICOLAOU **ID: X-501829**	**SOCRATES LAZARIDIS** **ID: AK-218278**	**GIORGOS DOUKIDIS** **ID: X-468731**

2. REPORT OF THE BOARD OF DIRECTORS

OF

"HELLENIC EXCHANGES-ATHENS STOCK EXCHANGE S.A."

FOR THE FISCAL YEAR 1 JANUARY to 31 DECEMBER 2019

(in accordance with article 5 of Law 3556/2007
and Law 4548/2018)

The Board of Directors of HELLENIC EXCHANGES-ATHENS STOCK EXCHANGE SA (Athens Exchange or ATHEX or the Company) publishes its Report on the separate and consolidated Financial Statements for the period that ended on 31.12.2019, in accordance with Law 4548/2018 and article 5 of Law 3556/2007.

The annual separate and consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards that were adopted by the European Union.

The Greek capital market

The Athens Exchange General Index closed on 31.12.2019 at 916.67 points, 49.47% higher than the close at the end of 2018 (613.30 points). The average capitalization of the market was €54.8bn, increased by 4.9% compared to 2018 (€52.2bn).

The total value of transactions in the 2019 (€16.6bn) is 20.0% higher compared to 2018 (€13.9bn), while the average daily traded value was €67.4m compared to €55.7m in 2018, increased by 21.0%. The average daily traded volume decreased by 13.7% (32.2m shares vs. 37.3m shares).

In the derivatives market, total trading activity dropped by 25.1% (2019: 10.6m contracts, 2018: 14.1m), while the average daily traded volume decreased by 24.5% (42.8 thousand contracts vs. 56.7 thousand).

Business Development

Organized market

New listings of transferable securities

In 2019, the following corporate bonds were listed in the Fixed Income Segment: AEGEAN AIRLINES (€200m raised); ATTICA HOLDING (€175 raised) and TERNA ENERGY FINANCE (€150m raised). In total, €525 million were raised, and all of the above bonds were issued through public offers and use of the EBB [Electronic Book Building] service.

In addition, TITAN CEMENT INTERNATIONAL S.A. did a secondary listing of its shares in the Main Market of the Athens Exchange, following the successful completion of the voluntary public offer to exchange its shares, with those of TITAN S.A., which was then listed at the Athens Exchange.

Significant corporate actions – Rights issues

- VARVARESOS, MOTODYNAMIKI, CRETA FARM, INTERTEK, TRASTOR, UNIBIOS, BRIQ PROPERTIES and LAMDA DEVELOPMENT increased their share capital through the exercise of the preemption right by existing shareholders, raising a total of 740.5m.
- TERNA ENERGEY FINANCE repaid an existing bond amounting to €60m.
- OPAP increased its share capital by issuing new shares due to the exercise of options from the fiscal year 2018 dividend reinvestment program.
- FORTHNET listed new shares resulting from the conversion of convertible bonds.
- FOURLIS and COCA-COLA HBC AG listed new shares resulting from share capital increases due to the exercise of stock options.

Three corporate transformations took place. In particular:

- EUROBANK ERGASIAS merged by absorbing the listed company GRIVALIA PROPERTIES
- ELLAKTOR merged by absorbing the listed company EL. TECH. ANEMOS
- SELONDA AQUACULTURE merged by absorbing the non-listed companies CALYMNOS AQUACULTURE, NIMOS and SPARFIS.

Alternative Market – EN.A.

In August 2019 the corporate bond of MLS INNOVATION began trading in the Fixed Income Segment. The issue was through a private placement and the total amount raised was €6.7 million.

In addition, as part of the initiative by the Athens Exchange to enhance accessibility to capital markets by businesses and in particular SMEs, in 2019 the development of new rules for the Alternative Market (EN.A.) was completed, with the aim of:

- Providing flexibility and alternative choices to issuers as to how to enter (entry by private placement or public offer, without the need for a minimum free float, history of operation or activity in the sector)
- balancing between the obligations for issuers (on entry and while remaining in the market) and the needs of investors
- covering various financing needs with a range of tools – equity financing, bond financing or a combination of the above and/or with the issuance of warrants
- upgrading the role of EN.A. Advisor in the operation of the Alternative Market, as its presence is now mandatory when transferable securities start trading (stocks, corporate bonds) in all trading segments (STEP, PLUS, Bonds).

Restructuring cash market indices

The Athens Exchange, in order to:

- Improve the representability of the indices
- Increase their penetration
- Make indices appropriate to act as underlying for the issue of new products

made a number of interventions in 2019 that concerned:

- the design of new indices
- Changes in the methodology for calculating existing indices
- Cease calculating indices

These interventions are in line with the ongoing efforts by the Athens Exchange to improve market liquidity and to highlight worthy Mid and Small Capitalization companies that had been overshadowed by the Large Cap companies during the financial crisis.

In particular, the changes concerned:

- Introduction of a 10% capping factor for the FTSE/ATHEX Large Cap Index component stocks
- Creation of the ATHEX Select Plus Index to track trends in Middle Capitalization stocks that have high trading activity
- Creation of the ATHEX Select index to track trends of Small Capitalization stocks that have high trading activity
- Creation of the FTSE/ATHEX High Dividend Yield Index to track trends of stocks in the organized markets that pay out high cash distributions to their shareholders.

Roots program

In 2019 the Roots program began operating, implemented in collaboration with the Hellenic-American Chamber of Commerce, with the support of the Global Federation of Competitiveness Councils (GFCC), the European Bank for Restructuring & Development (EBRD) and other entities. Through the mobilization of key participants in the capital market and business ecosystem, the program aims to facilitate access to the Greek capital market by Small and Medium Sized Enterprises (SMEs) and Startups as an alternative for financing their business plans.

As part of this effort, presentations of the Roots program and the financing solutions through the Athens Exchange took place in Attica, Thessaloniki and Crete. In addition, the Roots program was presented in a thematic panel with the participation of Roots Partners to the ocean-shipping community for the first time, during the WISTA Med Conference in the Peloponnese.

In November 2019 the start of the 1st Cycle of the Roots program began, with the participation of 9 companies that were selected based on an evaluation process. During the 1st Cycle, the chosen companies will draft their business and finance plans with the assistance of a mentor and a financial advisor, and will improve their investment readiness.

Regulation (EU) 909/2014 (CSDR) – Strategic adjustment by ATHEXCSD to the new environment

Regulation (EU) 909/2014 (CSDR) "on improving securities settlement in the European Union and on central securities depositories" is part of the EU's European integration package in the field of post-trading services and the establishment of single market conditions. This Regulation affects the operation of the Greek capital market by introducing significant changes through: a) the liberalization of the Central Security Depository services being introduced at the EU level, and b) through the adoption of omnibus accounts for safekeeping securities.

Within the abovementioned framework, ATHEXCSD actively participates in the adaptation of the Greek capital market to the new environment, especially concerning the licensing of the company in accordance with the CSDR Regulation in 2019. An important development in that direction is the publication of law 4569/2018 "I) Central Securities Depositories, II) Adaptation of Greek law to the provisions of Directive (EU) 2016/2258 and other provisions, and III) other provisions of the Ministry of Finance" (Government Gazette 179/11.10.2018).

In particular, in 2019 ATHEXCSD actively participated in the following tasks:

- Implementation of compliance actions by ATHEXCSD in the context of its licensing process in accordance with the CSDR Regulation and law 4548/2018, in order for the Hellenic Capital Market Commission to signal that the licensing dossier is complete, by 31.03.2020. At the same time the consultation with all stakeholders was completed, in order to finalize the design of the necessary adjustment of the (core and ancillary) services by ATHEXCSD (to Operators, Issuers and Investors), and the formulation of the new Regulation of Operation of the company in accordance with article 4 of law 4547/201 in the new environment under the CSDR Regulation.

- Review the CSDR Level 2 regulatory & technical standards concerning the implementation of measures to deal with settlement discipline in order to analyze the effects and draft / implement compliance measures for ATHEXCSD. It should be noted that the provisions in question were published in the Official Journal of the European Union on 13.09.2018, and that compliance by central securities depositories with them begins on 14.09.2020, which following a legislative initiative by EMSA is expected to be pushed back to 1.2.2021.

- Receipt and publication of all required decisions concerning the timely implementation, during the period November 2018 – July 2019 of the actions / tasks as specified in paragraphs 7, 8 and 9 of article 29 of law 4569/2018 (Government Gazette A' 179/11.10.2018). Implementation of these actions / tasks is an essential prerequisite to complete the required adjustments to the ATHEXCSD's framework of operation, especially as the Dematerialized Securities System (DSS) is concerned, in order to complete the application dossier of the company for receiving a license to operate a central securities depository in accordance with Regulation EU 909/2014 (CSDR) and law 4569/2018 (Government Gazette A' 179/11.10.2018). Information on the process and the specific terms applied in the relevant provisions of law 4569/2018 (article 29, par. 7, 8 & 9) are published on the website www.athexgroup.gr/Law4569, while the tables assigning securities of beneficiaries to be auctioned to members and the table of balances of securities being auction per auction day are published on the website, at www.athexgroup.gr/Law4569-ForcedSales.

Participation in the project to consolidate the Eurosystem Target2 services ("T2/T2S Consolidation")

The project concerns the consolidation of the Target2, T2S and TIPS services of the Eurosystem, both technically and operationally, in a new consolidated platform ("T2/T2S Consolidation"). The goal of the new consolidated platform is to respond to the changing needs of the market, replacing Target2 with a new Real Time Settlement System (RTGS), optimizing liquidity management across all Target2 services.

The operation of the new consolidated platform is scheduled to begin in November 2021. Communication will take place through ISO 20022 messages. During the 1st half, the first specification documents were published for consultation [User Detailed Functional Specifications v1.1 - Central Liquidity Management (CLM) and User Detailed Functional Specifications v1.1 – Real-time gross settlement (RTGS)]. Without prejudice to ongoing statutory audits to be continued until the autumn of 2019, SIA-COLT and SWIFT will conclude a contract with the Eurosystem to offer connectivity to all Eurosystem market infrastructure services through Eurosystem Single Market Infrastructure Gateway (ESMIG).

The participation of the Group in the above project concerns the appropriate and timely adjustment of the ATHEXCSD and ATHEXClear services to the planned consolidated Target2 services platform ("T2/T2S Consolidation"). In 2019 the detailed evaluation of the business and technical implications began on the timely adaptation of the ATHEXCSD / ATHEXClear systems and processes to the new consolidated Target2 services platform.

Project to update DSS Account information by Operators, in accordance with Decisions 1/736/2.11.2015 (Government Gazette B' 2558/26.11.2015) & 7/759/29.6.2016 (Government Gazette B' 2130/11.07.2016) of the Board of Directors of the Hellenic Capital Market Commission and Decision 6/27.06.2016 of the Board of Directors of ATHEXCSD, in effect since 30.06.2016

In accordance with the relevant decisions of the Board of Directors of the Hellenic Capital Market Commission and ATHEXCSD, in 2019 periodic (monthly and every 4 months) audits were planned and carried out on the correctness of the registrations in the active Investor Shares in the Dematerialized Securities System (DSS) by ATHEXCSD and corresponding provision of information to DSS Operators, in order for the relevant data maintained in DSS to be updated in accordance with the existing regulatory framework.

Progress on the tasks of this project is additionally monitored through a questionnaire to DSS Operators every 4 months (January, May and September) of each year. All relevant tasks are part of the preparation of the migration of Dematerialized Securities System (DSS) to the new environment under the CSD Regulation that will take place when the license is granted to ATHEXCSD to operate a central securities depository in accordance with the Regulation in question.

Completing the necessary adaptations to fulfill the obligations of the companies of the Athens Exchange Group and of participants in the Greek market, especially ATHEXCSD and DSS Operators, concerning the automatic exchange of financial information in accordance with relevant legislation

The relevant tasks and projects concern:

- The agreement between Greece and the USA to apply FATCA (Foreign Account Tax Compliance Act), as incorporated into Greek law with Law 4493/2017 (Government Gazette A' 164/31.10.2017).
- Regulation 2011/16/EU as amended by Regulation 2014/107/EU, and incorporated into Greek law with Law 4170/2013 and Law 4378/2016.
- The OECD Multilateral Competent Authority Agreement ("Common Reference Standard"), as incorporated into Greek law with law 4428/2016.

Based on the above, the following reports were submitted by ATHEXCSD concerning the portfolios kept in the special account:

- May 2019 – Submission of the 3rd report for 2018, in implementation of the Multilateral Agreement by the Relevant Authorities of OECD ("Common Reporting Standard" CRS/DAC2) and Directive 2011/16/EU as amended by Directive 2014/107/EU, in accordance with Ministerial Circulars 1135/2017, 1137/2017, 1090/2018 & 1102/2018.
- June 2019 – Submission of the 2nd report in implementation of the FATCA legislation, in accordance with Ministerial Circular 1094/21.05.2018 (Government Gazette B' 1891/24.05.2018) decision of the Head of AADE [Independent Public Revenue Authority].

Developing the AXIAlei service

Responding to the requirement that all legal entities that carry out transactions on transferable securities starting on 3.1.2018 need to issue a Legal Entity Identifier (LEI) code, in accordance with the relevant declaration by ESMA of 27.12.2017 and the Hellenic Capital Market Commission as part of the application of the MiFID II Directive and the MiFIR Regulation, ATHEXCSD successfully provided this service (AXIAlei).

In particular, in 2019:

- 314 new LEI codes were issued by ATHEXCSD
- 1,719 LEI codes were renewed by ATHEXCSD
- 11 LEI codes were transferred from another provider to ATHEXCSD
- 5 LEI codes were transferred from ATHEXCSD to another provider

In addition, as part of the continuous improvement and the competitiveness of the AXIAlei services, new, competitive charges were announced, in effect starting 01.07.2019. More information on the AXIAlei services provided are published on the website of the Company (https://www.athexgroup.gr/axialei).

Energy market development project (spot)

The Hellenic Energy Exchange (HenEx) together with the ATHEX Group formed a preparation team to design the clearing and risk management model for the Day Ahead and the Intraday market.

The participation of ATHEXClear in the above workgroup is summarized in the following tasks:

- Preparation of presentations to the participants in the electricity market
- Development of the operating risk management framework for HenEx
- Specifications for the EnExClear Clearing System
- Documentation for the EnExClear Clearing System
- Supporting EnExClear in obtaining a license as an Ancillary System in Target2
- Completion of the “Clearing of Transactions in the Day Ahead and Intraday Market Rulebook” and the relevant decisions of EnExClear
- Communication with RAE (Regulatory Authority for Energy) regarding the regulatory framework
- Specification of the risk management model and the algorithm for determining the clearing fund.

Expansion of the Clearing license to derivative financial products on electricity indices and natural gas in accordance with the EMIR Regulation

The Hellenic Energy Exchange plans to list for trading derivative financial products (futures and options) on electricity indices and natural gas in the Greek market. Under the MiFID Directive, these products are subcategories of derivatives financial products on commodities and will be traded in HenEx’s regulated market. As such, these products must be cleared by a recognized Central Counterparty in accordance with the EMIR Regulation (648/2012).

According to the EMIR Regulation, ATHEXClear, as a recognized Central Counterparty must extend its clearing license in order to undertake the clearing of derivative products on electricity.

The extension of the license concerns the clearing of financial products (future contracts and option contracts – options on futures) on commodities for the subcategories (a) electricity and (b) natural gas as follows:

- Futures with electricity indices as the underlying
- Options with electricity index futures as the underlying
- Futures with natural gas indices as the underlying
- Options with natural gas index futures as the underlying

The relevant tasks, especially in relation to risk management, concern:

- determining and measuring the margin model and the correlation model
- determining stress-test scenarios and their measurement
- supporting the work group in defining the clearing model
- providing technical specifications for the fixing algorithm (arbitrage free pricing),
- supporting the external consultant in carrying out the successful certification of the model
- supporting HenEx in risk management matters and participating in meetings with institutions (e.g. RAE)
- fulfilling all necessary regulatory requirements in order to submit the dossier for extending the license

The relevant tasks, especially in relation to clearing processes, concern:

- the Agreement between HenEx and ATHEXClear to clearing HenEx derivatives
- preparing the specifications of the Clearing System
- preparation for internal testing
- updating the Clearing Member manuals
- preparing the test scenarios for the Clearing Members in the Derivatives Market.

Improvements in the EMIR-TR service

In order to ensure compatibility with ESMA requirements concerning the obligation to report trades (EMIR Trade Reporting), and also to expand the service in order to include trade reporting in energy derivatives, a number of initiatives were implemented mainly in the IT system that supports this service. In particular:

- Addition of new controls to the IT system in order to increase the accuracy of the data entered, in accordance with ESMA guidelines.
- Automation of the process sending and receiving the files with trade reporting fields that are not arranged based on ESMA controls.
- Addition / modification of fields due to the undertaking of clearing by ATHEXClear of derivative products on electricity.

SFTR – Securities Financing Transactions

ATHEXClear, as a Central Counterparty is obliged under Regulation (EU) 2015/2365 of the European Parliament and Council of 25 November 2015, which describes the reporting process for repo and reverse repo transactions, as well as any modification or expiration in them, to report transactions / positions in lending products on ATHEX securities in a Trade Repository recognized by the EU.

The aim of the Regulation on trade reporting is transparency for repo and reverse-repo transactions (modification of Regulation 648/2012).

The obligation for ATHEXClear and Clearing Members to report trades / positions for ATHEX lending products in a EU recognized Trade Repository begins on 13 April 2020.

The project began in 2019 with the aim of completing the first phase of the study of the technical specifications by ESMA and to complete their design within the year so that by 2020 the requirements can be documented and the new system developed which will support trade / position reporting for ATHEX lending products in the EU-recognized Trade Repository for ATHEXClear and Clearing Members.

Adjustment in the default procedures due to a change in the use model of the DSS Special Account, in implementation of the provisions of Article 29 (par. 7, 8 & 9) of law 4569/2018

In applying the new use model of the Special Account in the Dematerialized Securities System (DSS), in the context of the implementation of the transitional provisions of Law 4569/2018 (Article 29, paras. 7, 8 and 9), ATHEXClear developed new functionality in the Clearing System and the necessary adjustments to the default management processes of the Cash and Derivatives Markets.

The new functionality for the forced sale of collateral on transferable securities was successfully tested in the annual default exercise in accordance with Decision 7 ("Procedures check in case of a member default") of the ATHEXClear BoD.

Implementation of a new margin and haircut model

In April 2019, during the first regular adjustment of risk management parameters, the new margin and haircut model management was implemented in the production environment. The preparation of the implementation of the new model mainly concerning the following:

- Determining the requirements for DSS / RI.VA and control (UAT).
- Supporting clearing members and system vendors in their efforts to migrate to the new system (RI.VA. margin replication, technical and business support, organizing presentations etc.).

Annual certification of the risk management models

In accordance with article 49 of Regulation (EU) 648/2012 (EMIR), an annual audit of the risk management models applied by ATHEXClear must be carried out by a specialized independent consultant.

The project was assigned to a specialized consultant, who completed his work in collaboration with ATHEXClear staff, and delivered the final report on the findings of the audit, which was submitted to the Hellenic Capital Market Commission, the Risk Committee and the Board of Directors of ATHEXClear.

The project consisted of supporting the external consultant to carry out the successful certification of the model.

Development of an application to automatically calculate risk management parameters

The 1st phase of the project to develop a system for calculating risk management parameters was completed. The project is part of an overall plan to save resources and reduce operating risk for the Company.

The project consisted of:

- Completing the technical specifications for developers (the task began in 2018).
- Supporting developers in understanding and implementing the specifications (replication of calculations et al.)

Participation in the EU-wide stress test

ATHEXClear participated in the pan European stress-test organized by ESMA. ESMA determined the calculation methodology, the position dates as well as the extreme market conditions scenario and assigned to the clearing houses being supervised to carry out calculations and report the results of these calculations to the supervisory authority.

The exercise concerned the following risks:

- Credit Counterparty risk
- Liquidity risk
- Concentration risk

Promotion initiatives

As part of the initiatives of the Athens Exchange Group to improve the promotion and promote the Greek capital market, expand the investor network and strengthen the contacts between listed companies and local and foreign fund managers abroad, the Athens Exchange implemented the following initiatives:

- The Ministry of Economy and Development, the European Bank for Reconstruction and Development (EBRD), and the Athens Exchange (ATHEX) signed in February 2019 a Memorandum of Understanding to join forces to boost capital market activity and increase the capacity of small and medium-sized enterprises (SMEs) for initial public offering (IPO) or corporate bond issuance on the Athens Stock Exchange.

  With the support of the EBRD-Greek Technical Assistance Fund, the new SME Pre-listing Support Program will extend tailored advisory services to SMEs wishing to access the local capital market. Interested SMEs can apply to the program with an expression of interest through the Roots website (www.roots-program.com).

- A Memorandum of Understanding was signed in February 2019 between the Athens Exchange (ATHEX) and the Economic Chamber of Greece (ECC) outlining a new partnership that aims at the launch of initiatives and the implementation of actions, on the basis of their common views.

  The purpose of the MoU is to reinforce synergies between the business and academic communities and the market, more particularly through information, training, research and data analysis.

  As a result of the signing of the MoU, the two organizations carried a study titled "The Exchange as a driving force for new funding." This study was carried out from 15 March to 3 April 2019 and 1,700 economists – members of the ECC participated. The results of this study were presented in an event on the Athens Exchange in June 2019.

- The Athens Exchange supported the 2nd Business Idea Contest of the Agricultural University in the process of finding mentors and connecting them with the broader business ecosystem. Executives from the Exchange and other enterprises were mentors of the Contest, undertaking the task of advising the teams in matter of marketing and financial analysis, while at the same time conveying current market know-how to the teams. Technical support of the contestants was undertaken by professors of the Agricultural University.

  The awards ceremony took place at the Athens Exchange in May 2019, and the winning teams received cash prizes sponsored by the Bank of Greece.

  Through this initiative, the aim of the Exchange was on the one hand to assist the teams in developing their initiatives, and on the other to contribute to collaboration in order to develop entrepreneurship.

- In addition, the Athens Exchange in cooperation with Harvard University Professor George Serafeim and KKS Advisors published the "ESG Reporting Guide" which was presented at a special event in November 2019 at the Exchange's premises.

  The "ESG Reporting Guide" is a practical tool for businesses to identify the essential ESG issues they need to publicize and manage in order to respond successfully to the global trend for providing ESG data to investors.

  The term "ESG" refers to Environment, Society and (Corporate) Governance which can affect a company's ability to create value in the long run. Investors utilize ESG information in order to determine how resilient and prepared a company is to handle change in the environment in which it operates.

  Despite the fact that the audience is primarily listed companies, the Guide may also serve as a useful tool for increasing transparency in matters of sustainability for non-listed companies of every size, from all business sectors. The Athens Exchange participates since 2018 in the Sustainable Stock Exchange (SSE) initiative of the United Nations, which promotes the dissemination of best practices for reporting non-financial information in order to develop sustainable investments in local capital markets.

- In May 2019 the 2nd ATHEX Mid-Cap Conference was organized in Athens. The Conference was organized with the aim of further promoting mid-cap listed companies to the investment community, increase coverage by brokerage analysts and improve the trading velocity of their stocks. Through the 550 one-on-one and group meetings that took place during the conference, the 16 participating Athens Exchange listed companies had the opportunity to present to Greek and foreign investment managers and analysts their business developments and prospects.

- In June 2019 the 8th Greek Investment Forum was organized in New York, in collaboration with the American-Hellenic Chamber of Commerce and with the support of Enterprise Greece. In the Greek delegation 18 companies listed on the Athens Exchange participated, whose representatives had the opportunity during the 267 meetings that took place, to present their strategy and investment plans to institutional investors. As part of the Forum, a presentation titled “Outlook and prospects of the Greek economy.”

  Besides the Forum, the event was combined with visits to Washington DC where delegates met with business and state authorities and influence groups, and in San Francisco for meetings with the technology, innovation and startup ecosystem.

- On 4 June 2019 the 2nd ATHEX Ecosystem Networking Event was organized successfully at the Athens Exchange, with the central theme: “Synergies, collaborations and opportunities in the capital markets.”

  More than 150 company executives participating at the event, among which brokerage and listed company executives, representatives of the Hellenic Capital Market Commission, private and institutional investor representatives, as well as representatives from companies that participate in the wider ecosystem of the Greek capital market.

  The purpose of the 2nd ATHEX Ecosystem Networking Event is to showcase the fact that companies and institutions, through cooperation and common targeting can contribute substantially to the development of entrepreneurship and thus to the recovery of the Greek economy.

  At the event, for the second consecutive year, awards were given to members of the Athens Exchange, to broker analyst departments and to listed company Investor Relations Departments, which distinguished themselves with their contribution to the development of the capital market ecosystem.

- The Athens Exchange Group participated as an event partner in the successful annual meeting “The Network Forum Annual Meeting 2019” which was organized in Athens from 11 to 13 June 2019. The conference is a point of reference and meeting for more than 500 bank and investment services firm executives from across the world, giving them a forum to discuss matters of significance that mainly concern post-trading activity.

  The Athens Exchange Group represented and Greek capital market and, supporting the conference, had its own booth at the conference, thus allowing its representatives to directly provide information on the services offered by the Group as well as the imminent changes that the implementation of the European CSDR Regulation will bring which will alter the post-trading services landscape.

- In September 2019 the 14th Annual Greek Roadshow took place in London. At the roadshow, the 30 participating Athens Exchange listed companies had the opportunity to present to the international investment community their business plans and prospects. In total, more than 600 one-on-one meetings took place between the listed companies and the 100 investors represented by 140 analysts and fund managers.

- In October 2019 the 2nd ATHEX Small-Cap Conference took place in Athens. This conference is an initiative of the Athens Exchange to increase the visibility of small capitalization companies to investors. during the Conference, more than 500 one-on-one and group meetings took place, in which the 16 companies, listed in the Main Market and the Alternative Market of the Athens Exchange, had the opportunity to present their business and its prospects to Greek and foreign fund managers and analysts.

- In December 2019, the 30th Greek Economic Summit took place, organized by the Hellenic-American Chamber of Commerce in cooperation with the Athens Exchange. More than 500 participants were hosted, and the Prime Minister and the Leader of the Opposition participated as speakers, among others.

Promoting Market Surveillance knowhow & infrastructure

The Athens Exchange's systematic effort to upgrade its Supervisory responsibility, which mainly consists of the significant investments made both in terms of infrastructure and the know-how of its executives, in addition to the significant recognition it receives from the Market itself as well as oversight bodies such as the Hellenic Capital Market Commission and the European Securities and Markets Authority (ESMA), allow commercial cooperation with entities with similar obligations.

The first successful attempt in this direction was completed by providing a seminar to the executives of the Cyprus Stock Exchange.

ATHEX Academy

In order to achieve the objective aim of the Certification / Education department, which is to promote and develop capital market knowledge through the provision of quality educational services to interested parties, it was deemed necessary to collaborate with an external associate who would provide specialized seminars / certifications through exclusive agreements with international institutions and with proven experience. As a result, after a market search, Study Smart was selected, with which an agreement was signed in April 2019 and the new brand was launched: “ATHEX Academy.”

On 27 May, an event was organized in order to present the ATHEX Academy program to the market ecosystem with the participation of 50 executives, mainly from the HR departments of listed companies and members, during which:

- ATHEX Academy was launched
- The collaboration between the Athens Exchange Group and Study Smart was announced
- The new, enriched educational activity program and international professional certifications was presented.

Aiming at the educational needs of the capital market professionals and investors, as well as the support and promotion of new products through training initiatives, the Athens Exchange Group considered it appropriate to organize some specialized seminars. Among others, seminars were held on the electricity market and on the bond market. The above seminars were successful as they were attended by a total of 204 people.

A large number of high school and university students (1,848) visited the Exchange in 2019. Through these educational visits, the Exchange contributes to the substantial development of today’s students and tomorrow’s professionals in the cultivation of a positive mindset regarding the usefulness of capital markets, the development of the students’ professional competence and the fight financial illiteracy. In addition, through these presentations the idea of capital markets is promoted and students are introduced to the new products and services of the Group.

The Group's social networking tools (LinkedIn) were utilized for the first time, and digital marketing practices were implemented to promote seminars to a targeted audience based on their professional profile.

IT projects

The most important projects and activities which were completed or began and are in progress during 2019 are summarized below:

- Modernizing infrastructure - Active-Active architecture. Following the completion of the relevant procurements in the previous year, in the current year the new Active-Active infrastructure architecture was fully implemented.
- Energy Exchange. The relocation of EnergyClear users was completed, and development and UAT infrastructure of the applications developed internally for the Energy Exchange were delivered. In addition, third party applications necessary for the connection of HenEx services with other European energy exchanges, were installed and parameterized. Lastly, we provided technical support, training, and drafted manuals for the systems that the Group develops for HenEx.

- Undertaking a project to design and implement a new network for CSE [Cyprus Stock Exchange] and to provide network support services over a five-year period.
- Implementation is underway for the financed project titled "eIDAS enabled i-Banking (eIB)" in cooperation with the University of the Aegean, the National Bank of Greece and the Association of Italian Banks (total size approx. €1m), having as objective the use of digital signatures and eID in banking to implement digital on-boarding client processes.
- Undertaking the "2nd generation Digital Tachograph" project of the Ministry of Transportation to provide digital certificates to Greek truck drivers, with a total budget of €360,000 over three years for ATHEX's participation.
- Participation in the financed project Research – Innovate - Create (NSRF [ESPA] project) in cooperation with the Agricultural University and other institutions to implement a project aiming at the development of an electronic platform (using recognized digital signatures) of intelligent support of integrated supply-chain services.

In 2019 the Group continued to improve the functionality and develop its core systems: OASIS trading system, Surveillance System, Data Warehouse and BI Energy Exchange, DSS [Dematerialized Securities System] and Risk Management System.

Information security

In 2019 the Information Security Unit, working in the context of the Group's Strategic Planning and projects undertaken, worked to exploit those projects and to maximize their results. At the same time, it also implemented new projects and integrated more know-how and functionality into the Group's Information Security arsenal. In particular:

- The project "Information Security Management Plan" was the central axis around which several sub-projects and activities were organized.
- The project to protect the website of the Group from Distributed Denial-of-Service (DDoS) cyberattacks had two directions:
  1. Development of local level 3 network attack prevention infrastructure, using advanced routing techniques.
  2. Procurement of services from a specialized provided, in order to avoid cyberattacks in general

Comment on the results

Fiscal Year 2019 results of the Group

Turnover in 2019 for the Athens Exchange Group was €33.4m compared to €26.6m in 2018, increased by 25.5%. Approximately 58.2% of the turnover of the Group is from fees on trading, clearing and settlement of trades on the Athens Exchange.

In 2019 EBITDA was €13.2m compared to €7.4m in 2018, increased by 79.3%.

Earnings Before Interest and Taxes (EBIT) were €9.2m vs. €3.9m in 2018, increased by 136%.

After deducting €3,402 thousand in income tax, the net after tax earnings of the Athens Exchange Group amounted to €6,080 thousand compared to €3,027 thousand, increased by 101%. After including Other Comprehensive Income (valuation of shares), earnings amount to €6.9m compared to €3.9m in 2018, increased by 79.7%.

Parent Company of the Athens Exchange Group

For the parent company, turnover was €15.1m vs. €13.6m, increased by 11.1% compared to 2018, while net after tax earnings were €4.4m in 2019 compared to €1.8m in 2018, increased by 150%.

Financial assets at fair value through other comprehensive income

The Company held in its portfolio 13,365,316 shares that resulted from the Piraeus Bank bond exchange. Next, through a 1:20 reverse split the number of shares became 668,265 x €6 = €4,009,590. On 31.12.2019 the share price closed at €2.99 and as a result the valuation of the Bank of Piraeus shares was €1,998,112.35, a gain of €1,436,769.75 compared to the valuation on 31.12.2018 which, in accordance with IFRS 9, is reported in Other Comprehensive Income (OCI).

After its successful participation in the contest by CM Kuwait to privatize Boursa Kuwait, ATHEX is a shareholder of Boursa Kuwait with a 0.779% stake, corresponding to 1,490,000 shares. ATHEX obtained these shares for 0.237 KWD and an exchange rate of 2.917 EUR/KWD, i.e. €1,030,254.41. The shares of Boursa Kuwait ae traded on its OTC platform as of 15.01.2020, while the exchange rate on 31.12.2019 was 2.942 EUR/KWD.

Third party balances in ATHEXClear bank accounts

In order to comply with the corporate governance framework determined by Regulation (EU) 648/2012 of the European Parliament and Council (EMIR Regulation), the Company keeps all cash collaterals that are being managed by the Company and concern the cash market and the derivatives market, as well as its own cash balances, in an account it maintains at the Bank of Greece (BoG) as a direct participant over the internet to the TARGET2-GR Express Transfer of Capital and Settlement System in real time (TARGET2-GR).

Therefore, its own cash balance and the balances of third parties (margins) are deposited in the same account that ATHEXClear maintains at the Bank of Greece, and as a result a separation of the assets is necessary in order for the collateral that ATHEXClear collects to be shown separately in the current assets of 31.12.2019. In the Statement of Financial Position of 31.12.2019, they are reported as equal amounts in both current assets and short term liabilities as "third party balances at the bank account of the company" and concern exclusively the margins in the derivatives market that were deposited in the bank account maintained by ATHEXClear at the BoG on 31.12.2019.

On 31.12.2019 at the BoG bank account cash market margins of €120.4m and derivatives market margins of €64.5m had been deposited.

Share Capital

The Company is listed on Athens Exchange, and its shares are traded in the ATHEX cash market, in the Main Market segment. The shares of the Company are common registered, with a voting right.

With the decision of the Annual General Meeting of 30.05.2019 to return €0.11 per share with an equal reduction in the stock's par value, the share capital became €35,001,840 divided into 60,348,000 shares with a par value of €0.58 each.

The Equity of the Group on 31.12.2019 was €109.9m and the Company's €91.5m.

Treasury Stock

At the 14th Annual General Meeting on 20.05.2015, shareholders approved a share buyback program to purchase up to 10% of the share capital at a price range of €1.50 to €7.00 over two years (May 2015 – May 2017) with the intention of cancelling at least 95% of shares thus purchased (the remaining 5% may be distributed to personnel).

Share buybacks began on 09.02.2016 and up until the end of the program on 20.04.2017 5,020,563 shares (7.68% of the share capital) had been purchased, at an average price of €4.63 at a total cost of €23,244,794. Out of the abovementioned number of shares, 95% corresponding to 4,769,563 shares were cancelled by the decision of the 1st Repetitive General Meeting of shareholders on 09.06.2017.

Next, by decision of the 1st Repetitive General Meeting of 13.06.2018 the 251,000 shares in treasury stock that remained were cancelled, and as a result on 31.12.2018 the Company did not possess any treasury stock.

Dividend policy

The Annual General Meeting of Hellenic Exchanges-Athens Stock Exchange shareholders on 30.05.2019 decided to distribute dividend for fiscal year 2018 amounting to €3,017,400 or €0.05 per share to shareholders. The ex-date of the right to the dividend was on 05.06.2019, and the dividend was paid on 12.06.2019.

The Annual General Meeting of 30.05.2019 also approved the proposal of the BoD to return capital amounting to €6,638,280 or €0.11 per share. The ex-date was on 05.08.2019 and the capital return was paid on 12.08.2019.

Tax audit of the Company for fiscal years 2008, 2009 and 2010

On 11.7.2016 the Company was notified about the acts of temporary corrective tax determination and audit findings note by the Large Corporation Audit Center (KEMEP). This particular tax audit was carried out for tax years 2008, 2009 and 2010 in accordance with audit order 760/4/1118/22.12.2015. In total, the audit resulted in taxes and additional taxes for submitting an incorrect tax declaration amounting to €1,689 thousand, out of which €603 thousand are additional taxes.

On 29.7.2016 the Company submitted an opinion report – memo to KEMEP, expressing its opposing view to the abovementioned Note. In its reply, KEMEP reduced the accounting differences tax by €127 thousand, reducing the total amount to €1,562 thousand.

On 30.9.2016, within the time limits of the law, the Company filed an administrative appeal in accordance with article 63 of Law 4174/2013 at the Dispute Settlement Directorate (DED) of the General Secretariat of Public Revenue (GGDE), against the findings of the tax audit, and at the same time paid 100% of the amount due i.e. €1,562 thousand, which is shown in other claims in the statement of financial position of 31.12.2017, in order to avoid the accumulation, calculation and assessment of interest for the duration of the suspension of the sum due (article 53 §1 of Law 4174/2013).

The DED finding, which was received on 15.2.2017, reduces the total amount by €579 thousand, to €983 thousand. This difference has already been offset with an equal amount of ATHEX tax obligations by the appropriate tax office. The Company has further appealed (16.03.2017) to the Administrative Courts in order to reduce the tax and penalties assessed by the tax audit. The Company received summons and appeared in the Administrative Court of Appeal to adjudicate the case on 6.3.2018. The case has been referred to the Court of First Instance, was heard on 24.9.2019 and a decision is expected in the next few months.

Related party transactions

Transactions that concern payroll costs for 14 executives and the executive members of the BoD for 2019 amounted to €1,370 thousand for the Group and €954 thousand for the Company. Besides these transactions, there are no other related party transactions, as defined by IAS 24, which could materially affect the financial position or the performance of the Group during the period in question. There is no (credit or debit) balance from these transactions on 31.12.2019. For the other related party transactions, see note 5.44.

Branch Offices

The Group through its subsidiary "HELLENIC CENTRAL SECURITIES DEPOSITORY" – ATHEXCSD has a branch office in Thessaloniki, at 16-18 Katouni St.

Non-Financial Reporting

Business model

Listing: In order to grow, dynamic companies of all sizes chose capital markets to raise capital. The Athens Exchange supports and facilitates the process of issuing stocks and bonds for financing companies using the tools that it develops, ensuring the tradability of the securities issued under internationally standardized rules.

Trading: The Athens Exchange operates the infrastructure necessary so that the organized markets for stocks, bonds and derivatives – on other securities or indices (such as stocks, exchange indices et al.) – ensure the level of transparency and effectiveness legislated in Europe. The Athens Exchange also operates the Alternative Market (EN.A) for smaller, dynamic companies.

Clearing: Clearing is the process followed that ensures that transactions entered into will be concluded with their settlement by covering counterparty risk. The Clearing House of the Group, ATHEXClear, provides the clearing platform and operates as central counterparty (CCP): as buyer to sellers, and seller to buyers, in order to minimize counterparty risk.

Settlement: Settlement is the process of exchanging securities and cash between buyers and sellers in order to conclude the transactions they have entered into. The recording of the various credit and debit entries into the investor accounts on the Dematerialized Securities System (DSS) by licensed Investment Services Firms and banks (DSS Operators) takes place at this stage. The ATHEXCSD subsidiary provides the relevant service following international rules and practices.

Registry: After settlement is completed, securities are safely kept by DSS Operators in the investor accounts at DSS, where companies with listed securities (issuers) can find the owners of the securities, and owners of securities can find their portfolios.

The ATHEXCSD subsidiary provides issuers with securities services for managing corporate actions (such as rights issues et al.) and payment distributions (such as dividends and interest).

Market data: Private and professional investors make investment decisions based on market information and data. The Athens Exchange provides information on the cash, bond and derivatives market, such as real-time data, historical data, index information et al.

Indices: In collaboration with FTSE, the Athens Exchange maintains and provides indices that track the Greek capital market and sectors; it also maintains and provides the General Index with similar rules. Indices in turn are an underlying security in other traded products such as ETFs and derivatives (futures & options).

Technology: Information Technology systems and infrastructure are the foundations of the Group for all of the services it provides. The Group develops and supports trading, clearing, settlement and registry systems as well as the necessary network infrastructure, with a high degree of availability, and also provides the infrastructure for auxiliary services to Investment Services Firms and banks such as collocation.

Sustainable and ethical business

The Company follows commercial, organizational and operational practices in accordance with the rules, laws and regulations, as dictated by national and European regulatory authorities, and ensures that it receives all relevant permits for its products, services and operations.

In the framework of its sustainable development, the Company is monitoring all developments in the European and international market, and it ensures that its operations and the services it provides meet the current needs of investors, market participants and society.

The fundamental values that inform the corporate culture of Athens Exchange Group and guide all its activities are integrity, responsibility and respect. The Company sets high ethical standards and has a zero tolerance policy in matters of fraud, corruption and market abuse, applying appropriate measures to monitor, prevent and deal with such incidents across all its activities. The process and the accountability and transparency standards for the identification of such incidents are outlined in the Group's Whistleblower Policy.

The Company is an active member and supports the efforts of CSR Hellas (Greek Network for Corporate Social Responsibility) whose mission is the integration of corporate responsibility in the strategy and core operations of companies, and the achievement of balance between profitability and sustainable development. In addition, the Company is a member of UN Sustainable Stock Exchanges (SSE), a peer-to-peer learning platform for exploring how exchanges, in collaboration with investors, regulators, and companies, can enhance corporate transparency – and ultimately performance – on ESG (environmental, social and corporate governance) issues and encourage sustainable investment.

Sustainable Finance

Having recognized the key role of the financial sector in the transition to a green and sustainable economy, the Group is developing initiatives to promote non-financial transparency and drive performance on environmental, social and governance matters (ESG). As part of its participation in the UN Sustainable Stock Exchanges Initiative (SSE), the Group has developed an "ESG Reporting Guide", a practical tool for listed and non-listed companies.

The Group participates in activities that increase awareness and the dissemination of global best practices to develop sustainable finance in the Greek market. We support sustainable finance initiatives like the EU Commission's action plan for sustainable finance, and aim to further enhance our activities on matters of sustainable development.

Operation of the Group

The Group is constantly striving to improve all aspects of its operations based on international standards. In particular:

Standard		ATHEX	ATHEXCSD	ATHEXClear
Business Continuity	ISO 22301	✓	✓	✓

Employees and society

The Company ensures a safe work environment in accordance with national and European laws and regulations and pays special attention for the effective management of personnel health, safety and welfare issues. In this context, the Company facilitates and encourages in every possible way equal access to its premises for employees and visitors with disabilities.

The Company offers a work environment of equal opportunities to all staff, with respect for human rights and labor rights that derive from relevant legislation, taking care of employees' work issues. Our employees' participation in decision making, and their legal right to form and join a union, is exercised by the Group Employee Union.

In order to create a work environment and conditions that help optimize employee productivity, and by extension the sustainability of the Company, the Company encourages the exchange of ideas, opinions and information among employees, while protecting their personal and sensitive data. The Group has zero tolerance for malicious or abusive conduct and harassment in the workplace, and takes the necessary measures to identify and deal with such incidents.

The Company's management invests in employees, with an emphasis on lifelong learning, developing personal and professional skills, rewarding productivity and achieving a better work-life balance. The Company ensures excellent working conditions, and takes steps to identify any psychosocial risks in the workplace, with the health and wellbeing of employees being a key priority. Employees have access to a company doctor on a weekly basis, and through the Group's health and wellbeing program, they can utilize mental wellbeing services like the 24h Support Line of Hellas EAP for all employees and their families, as well as support and consultation groups and other workplace activities. In addition, the Group runs a voluntary blood donation program.

Indicative metrics for the Group	2019	2018
Employees		
Number of employees (year-end)	218	227
% of employees with full time employment	100%	100%
Average age of the full time employees	47 years	46 years
Women employees (% of total)	38%	39%
Women employees in senior management positions (%)	29%	15%
Voluntary turnover (%)	9%	6.7%
Involuntary turnover (%)	0%	0%

Health - insurance		
Days of absence due to illness per employee	3.9	3.7
Average cost of health insurance per employee	€1,819	€1,670
Average contribution to private pension fund per employee	€622	€604

Lifelong Learning & Education

The Group invests in the ongoing education, professional training and personal development of employees, aiming to enhance their effectiveness in their respective roles and the achievement of corporate objectives. It funds and encourages employee participation in postgraduate study, professional certification programs, internal workshops on general and specialized topics, and conferences.

Our commitment to support lifelong learning among employees and their families, is confirmed through the Group's annual Excellence Award & Scholarship program, designed for the children of employees that are commencing academic study at University level.

The promotion of financial literacy is one of the Group's key objectives, and within this framework the Group runs a training program for school and university students and market professionals, in order to improve knowledge about capital markets. The program comprises of educational visits, workshops and presentations that take place at the Athens Stock Exchange premises. The training programs that are addressed to school and university students aim to facilitate the development of skills that contribute to their career orientation. As part of this effort, the Company runs internship programs for university students.

Indicative metrics for the Group	2019	2018
Education – internships		
Average employee training hours (top 10% by total compensation)	44 hours	30 (all employees)
Average employee training hours (bottom 90% by total compensation)	28 hours	
Employee training expenditure	€90.340	€625/employee
Number of student internships	19	30

Corporate Social Responsibility

The Group's Corporate Social Responsibility activities are structured on three pillars – Environment, Society and Entrepreneurship. In 2019, the Group contributed to the work of NGOs and organizations through donations totaling €75.554.

As a sign of solidarity, the Group contributes to NGOs and public organizations that support local communities and the protection of vulnerable social groups like young people and children, who are the future of Greek society.

Organizations we supported in 2019
The Smile of the Child
ELPIDA Association of Friends of Children with cancer
Ark of the World
SOS Children's Villages
Make a Wish
Special Olympics Hellas
The Panhellenic Association of Adapted Activities ALMA
KETHEA Therapy Center for Dependent Individuals
CollegeLink

The Group also supports the extroversion of Greek entrepreneurship, by contributing to organizations and professional groups in the wider entrepreneurial and capital markets ecosystem.

Organizations we supported in 2019
SED – Hellenic Investors Association
WISTA - Women's International Shipping & Trading Association
Council on Competitiveness for Greece
Delphi Economic Forum
Network Forum
Hellenic-American Association for Professionals in Finance (HABA)

Environment

The Group promotes awareness on environmental issues, with the aim of protecting the environment and improving quality of life. We continue our efforts to protect the environment through daily recycling actions, and through the adoption of simple and practical rules of operating the building with a view of sustainable energy resource management and the reduction of the Group's environmental footprint.

The Group is developing strategies to better monitor energy use, increase renewable energy sources and reduce emissions that contribute to climate change. Against the backdrop of the UN Sustainable Development Goals (SDGs), the Paris Agreement (2015) and the European Green New Deal, the key areas for development in the context of the Group's environmental policy are monitoring global developments, improving environmental performance and identifying the risks and opportunities that derive from climate change.

Indicative metrics for the Group		2019	2018
Environment			
Electricity consumption (m KWh)	(1)	3.66	4.48
Electricity consumption (% of total energy consumption)	(1)	85%	96%
Electricity from renewable energy sources (% of total)	(1)	31%	0%
Scope 1 emissions (tonnes of CO_2 equivalent)	(1)	270	180
Scope 2 emissions (tonnes of CO_2 equivalent)	(1)	2.280	4.211
Recycled paper (kg)		4.980	16.550
Recycled batteries (kg)		34	42

1. *Includes energy consumption for the needs of the Group. Does not include energy consumption for the Colocation service offered by the Group, as this cost is re-invoiced to the clients of this service.*

Prospects for 2020 and after

The positive investment climate that prevailed in the first weeks of the new year as a result of a significant – in terms of returns – 2019, had raised hopes for capital raises through the market. Companies were considering listing on the Exchange or capital raises, which it was estimated would further increase investor interest. However, starting in the first days of February, the outbreak of COVID-19 begun to changes the above mentioned dynamic for the worse.

The rapid spread of the coronavirus (COVID-19) disease, finds the world financial system and business to a large degree unprepared. The world economy is entering a period of uncertainty and instability, the consequences of which are difficult to estimate based on the facts so far. The economic impact will depend on the duration, the intensity and the spread of the disease in Greece and across the world.

Based on existing conditions and converging estimates, economic activity has been significantly impacted, eroding initially any growth momentum, while the chances of a recession are increasing. The violent share price drop and existing uncertainty are expected to have a negative impact for the rest of the year, especially for new listings and capital increases (rights issues) as well as – likely also – to market turnover, which is in part supported by the increased volatility that uncertainty brings.

The prospects of the Group and the Company – under normal operating conditions - are also shaped by the regulatory changes that are taking place in Europe, and by the focus of the European Commission on the potential to finance Small and Medium Enterprises through capital markets as a consequence of the continuing deleveraging of the banking system and overall developments in the macroeconomic environment internationally.

In these unprecedented conditions, the Company strives to achieve a reasonable cost of remote operation, to continue to maintain the smooth functioning of its markets, provide value added services, and utilize its infrastructure by adding new products and services in order to effectively fulfill its role of transferring investment resources to the productive backbone of Greece. In addition, the Group is penetrating new markets, such as its participation in the Energy Exchange and strengthens is international presence through its collaborations and participations in the Exchanges of Kuwait and Lebanon.

The excellent organization of the Group, the reliable operation of the capital market even in extremely difficult conditions such as at present, the continuous investment in modern equipment and processes, the lack of debt obligations, the recognition of its reliability by internationally recognized rating agencies, as well as the liquidity that it possesses, guarantee its survival in the long term, with significant benefits for shareholders, employees and society at large.

Turnover – risks and uncertainties

Besides the fees from trading that takes place in the ATHEX markets and which are collected through the Members, important revenue streams for the Athens Exchange Group are also fees from orders and Member terminals, revenue from Member and Operator subscriptions, revenue from subscriptions and rights issues of listed companies, revenue from data vendors, revenue from administrative, IT and IT support services, educational services etc.

The turnover of the Athens Exchange Group depends, to a large extent, on factors over which it has no influence, since they are connected with developments in the Greek capital market, which in turn are affected by a series of factors such as, the key financial data of listed companies, the fundamental macroeconomic data of the Greek economy as well as developments in international capital markets.

Contrary to revenues, which cannot be controlled by the companies of the Group, on the cost side concerted efforts are being made to reduce them, in order to improve the financial results of the Group even under adverse market conditions.

In recent months the expectations that have been cultivated for the Greek economy coupled with the gradual increase in market trading activity are forming a more optimistic picture for the future, as long as it is not affected by unpredictable negative factors.

The rapid spread of the coronavirus (COVID-19) disease, finds the world financial system and business to a large degree unprepared. The world economy is entering a period of uncertainty and instability, the consequences of which are difficult to estimate based on the facts thus far. The economic impact will depend on the duration, the intensity and the spread of the disease in Greece and across the world.

Risk Management

General – Risk management environment

A major consideration of the Athens Exchange Group is the management of risk that arises from its business activities.

The Group, as organizer of the capital market, has developed a framework for managing the risks to which it is exposed, ensuring its viability and development, and contributing to the stability and security of the capital market. In particular, Athens Exchange Clearing House (ATHEXClear) is part of the Group; ATHEXClear operates as a Central Counterparty (CCP) for clearing cash and derivative markets products and as such is obliged to satisfy the strict requirements of the current regulatory framework EMIR (European Market Infrastructure Regulation) concerning risk management in accordance with which it has been licensed since 2015.

Hellenic Central Securities Depository (ATHEXCSD) is also part of the Group, and is in the final stage of aligning itself with the European regulatory framework of Central Depositories CSDR. As part of this project, the Group reorganized its supervisory operations, integrating risk management into a centralized operation of the Group, reporting to the Board of Directors.

During the current year, the internal and external regulatory and legal framework for risk management, concerns that which ATHEXClear is directly subject to and the Group indirectly with regards to their obligations to monitor and manage risk, includes the Regulation of Clearing of Transferable Securities Transactions in Book Entry Form, the Regulation for Clearing Derivatives Transactions and Regulation (EU) 648/2012 of the European Parliament and Council of July 4th 2012 for OTC derivatives, central counterparties, and trade repositories, known as EMIR.

Risk Strategy and Risk Management

The risk strategy of the Group is aligned with its business strategy to provide the appropriate infrastructure for the reliable, secure and continuous operation of the capital market. In accordance with the strategy of the Group, the risk appetite level is set in order to correspond with the capital adequacy of the companies of the Group, satisfy the needs of the market, limit costs for participants, maximize the exploitation of business opportunities but also ensure market security and compliance with regulatory requirements.

Organizational structure

Besides the comprehensive measures for ensuring the smooth operation of the systems of the Group, each organizational unit of the Group is responsible for monitoring and managing potential risks in order to react quickly and effectively in case risk events arise.

Continuing the efforts of recent years, in 2019 efforts were made to strengthen the risk management function for the whole Group, in order for ATHEXClear to remain aligned with the EMIR regulation and to prepare ATHEXCSD for CSDR standards, and at the same time for the parent company ATHEX to follow international good practices.

In particular, for each company of the Group separetely, the organizational structure that supports risk management includes the following units:

- Board of Directors, which has the final responsibility and accountability regarding the risk management function of the company. In particular, the BoD defines, determines and documents the appropriate risk tolerance level and ability of the company to assume risk. In addition, the BoD and senior executives ensure that company policies, procedures and controls are consistent with the risk tolerance level and the ability of the company to assume risk, and examine how the company recognizes, reports, monitors and manages risks.
- *Risk Committee*, which advises the Board of Directors on risk management matters.
- *Investments Committee of ATHEXClear*, which decides on limits and monitors liquidity risk, sets policies and standards for the investment strategy, financing principles, liquidity management, interest rate risk and its management.
- *Risk Management Department of the Risk Management & Clearing Division of ATHEXClear*, which is sufficiently independent from the other functions of the company, and whose main responsibility is the comprehensive approach to the risks that ATHEXClear faces in order to recognize them, calculate them and finally manage them. The Risk Management Department possesses the necessary authority, the necessary resources, expertise and access to all relevant information.
- *Risk & Compliance Unit of the Group*, headed by the Chief Risk Officer of the parent company ATHEX, which is responsible for the efficient and effective operation of the oversight functions of the Group. The staff of the unit cover the institutional roles of Chief Risk Officers (CROs) of ATHEX and ATHEXCSD, as well as the roles of Chief Compliance Officers (CCOs) of all of the companies of the Group, and thus

cover all of their responsibilities while working in close collaboration with the audit functions of the Group, and in particular with the Internal Audit Division.

- *Risk Management Coordinating Committee*. The coordinating committee consists of the Chairman of the Risk Committees of the three companies of the Group, which are members of the corresponding Boards of Directors, and the Group Chief Risk Officer. The committee is chaired by the Chairman of the Risk Committee of the parent company, ATHEX. The goal of the committee is to coordinate the three companies in matters of risk strategy, risk appetite and control methods for risk tolerance, in order to multiply the benefits for each company separately, through the group operation of risk management.
- *Chief Risk Officer*, who on risk management matters reports to the Board of Directors through the Chairman of the Risk Committee and applies the risk management framework through the policies and procedures established by the Board of Directors.
- *Organizational Units* which are responsible for identifying and managing risks within their scope and participate in the overall risk management at the Group. In particular, the Risk Management Department of ATHEXClear and the Risk & Compliance Unit, monitor the risk levels of the Group on a continuous basis using the specific and approved risk management methods. The key assumptions, data sources and processes used in measuring and monitoring risk are documented and tested for reliability on a regular basis through the review and audit framework and the validation framework.

Single risk management

The services that the Group provides involve various types and levels of risk, and it is recognized that effective risk management consists of the following:

- *Identifying and assessing risks:* By analyzing the present and future activities of the Group, cases are recognized in which the Group is exposed to risks. The risks recognized are evaluated as to the potential exposure to loss. This includes in general the estimation of both the probability that the loss will occur, as well as the potential effects.
- *Controlling risks:* The arrangements for managing each risk are the key to effective risk management and it is important that they be understood by all personnel. In addition, management is responsible to ensure the proper implementation application of the single risk management and individual policies / frameworks.
- *Risk mitigation:* Management identifies the best method for risk mitigation, taking into consideration costs and benefits. As a general principle, the Group does not take risks that pose the possibility of catastrophic or significant losses. Likewise, insuring against losses that are relatively predictable and without a material impact is avoided. The alternatives for mitigating risk depend on the tolerance level of the Group against various risk types.
- *Monitoring and reporting risks:* The Group possesses a comprehensive system for reporting and monitoring risks which is differentiated by risk type and company of the Group. The Risk Management Units of the companies of the Group monitor the risk levels of each company on a continuous basis using specialized and approved risk management methods, under the coordination of the Risk & Compliance Unit of the Group. The main assumptions, the data sources and the processes used in measuring and monitoring risk are documented and tested for reliability on a regular basis through the review and audit and the validation framework

Risk categories

The Group ensures that it deals with all risks, internal or external, present or future, and especially those that have been recognized as significant. It is recognized that each service provided by the Group can expose it to any combination of the risks mentioned below.

The usual risks to which, due to the nature of its activities, the Group may be exposed to are:

Financial Risk

- Credit Counterparty risk (credit risk arising from the default of the clearing obligations by one or more clearing member counterparties)
- Market risk (changes in exchange rates, interest rates, market prices, commodities and volatility), mainly as a result of credit counterparty risk
- Credit risk (mainly from the investment of own assets)
- Liquidity risk (mainly cash flow risk), mainly as a result of counterparty risk

Operational Risk

Risk of loss resulting from inadequate or failed internal processes, people and systems or from external events, including legal risk. Risk corresponding to the security of the IT systems, as in the majority of companies, is now becoming very important, and appropriate measures to contain it are being taken.

Business Risk

Risk due to new competitors, drop in trading activity, worsening of the local and international economic situation etc.

Description of categories and main risk factors

Market risk

The Group may be exposed, to a limited degree, to market risk resulting from its activities. In each case, the Group monitors the potential exposure that may result in market risk and calculates any capital that it must maintain against market risk in accordance with the capital adequacy methodology that it uses. Possible losses from market risk may arise if there is a default of a clearing member (credit counterparty risk) as ATHEXClear is obliged to carry out close-out transactions to cover the positions of the defaulting member.

The rapid spread of the coronavirus (COVID-19) disease, finds the world financial system and business to a large degree unprepared. The world economy is entering a period of uncertainty and instability, the consequences of which are difficult to estimate based on the facts so far. The economic impact will depend on the duration, the intensity and the spread of the disease in Greece and across the world.

Currency exchange risk: This risk does not materially affect the operation of the Group, given that transactions with clients and suppliers in foreign currency are limited.

Credit Counterparty Risk

The Group's credit counterparty risk mainly concerns transactions in the cash and derivatives markets, in which ATHEXClear operates as Central Counterparty.

ATHEXClear has received, based on decisions 5, 6 and 7/556/8.7.2010 of the Hellenic Capital Market Commission, a license to manage and operate systems to clear trades on dematerialized securities (Securities System) and derivatives products (Derivatives System). In this capacity, ATHEXClear assumes the risk that Clearing Members default on their obligations to clear and settle trades, as described in the Rulebooks (credit counterparty risk). In addition, as of 22 January 2015 has been licensed as a Central Counterparty under the EMIR regulation, and has a very strict framework for managing risk.

ATHEXClear has established and applies a range of mechanisms and financial resources to cover the risks that it assumes and the smooth operation of the system in general, in conjunction with the scope and scale of trades whose clearing it undertakes. The mechanisms that ATHEXClear applies are described in the "Regulation of Clearing of Transferable Securities Transactions in Book Entry Form," in the "Regulation on the Clearing of Transactions on Derivatives," as well as the relevant decisions of the ATHEXClear BoD.

In order to obtain the status of a Clearing Member, the Financial Services Firm or Bank must conform to the minimum specific financial and operational adequacy requirements, as specified in the Clearing Rulebooks; these requirements must be continuously fulfilled during the time the Member is in operation.

Both in the Cash Market, as well as for the Derivatives Market, ATHEXClear clears transactions in its capacity as Central Counterparty. In order to cover risk against its clearing members, ATHEXClear monitors and calculates on a daily basis (at end-of-day and also during the day in almost real time) the required margin of each clearing account of clearing members and blocks the corresponding additional guarantees in the form of cash and/ or transferable securities.

In addition, it manages the Default Funds of the two markets which act as risk sharing funds to which Clearing Members contribute exclusively in cash. Based on the collateral blocked, the credit limits given to members are reviewed on a continuous basis, and compliance with them is monitored in real time during the trading session. The minimum size of the Clearing Funds is recalculated at least on a monthly basis, in accordance with the provisions of the Clearing Rulebook, in order for its size to be adequate to cover at any time the obligations imposed by EMIR, i.e. to absorb losses, besides the margins, in case of default of the two (2) largest clearing member groups against which ATHEXClear has the greatest exposure from the close-out of their positions for each market (securities, derivatives) separately.

The risk management models and the parameters used are examined as to their effectiveness on a daily basis under extreme but plausible scenarios (margin/ haircut back-testing, default fund coverage under stress), and are validated on an annual basis by an external, independent specialized consultant.

Credit risk

The Group faces credit risk from the investment of its own assets. As part of its Investment Policy, specific principles are defined for cash deposit arrangements. As a rule, cash deposit arrangements are with the Bank of Greece, a fact that minimizes its risk exposure.

Short term cash arrangements that do not exceed three months take place at Greek Systemic Banks, in accordance with the Investments Policy set by the Strategic Investments Committee of the ATHEX Group.

The ratings of the Greek Systemic Banks by two reputable International Rating Agencies are shown below:

BANK RATINGS

		STANDARD & POOR' S				
		Outlook	Long Term Local Issuer Credit	Short Term Local Issuer Credit	Long Term Foreign Issuer Credit	Short Term Foreign Issuer Credit
ALPHA BANK AE	GR	POS	B	B	B	B
EUROBANK ERGASIAS SA	GR	POS	B	B	B	B
NATIONAL BANK OF GREECE	GR	POS	B	B	B	B
PIRAEUS BANK S.A	GR	POS	B-	B	B-	B
BANK OF GREECE	GR	#N/A	NR	NR	NR	NR
HSBC BANK PLC	GB	NEG	A	A-1	A	A-1

		MOODY' S				
		Outlook	Local Long Term Bank Deposits	Foreign Long Term Bank Deposits	Subordinated Debt	Senior Unsecured Debt
ALPHA BANK AE	GR	POS	Caa1	Caa1	(P)Caa2	(P)Caa1
EUROBANK ERGASIAS SA	GR	POS	Caa1	Caa1	Caa2	Caa2
NATIONAL BANK OF GREECE	GR	POS	Caa1	Caa1	-	B1
PIRAEUS BANK S.A	GR	POS	Caa2	Caa2	(P)Caa3	(P)Caa2
BANK OF GREECE	GR	#N/A	#N/A	#N/A	#N/A	WR
HSBC BANK PLC	GB	NEG	-	-	A3	A2

Out of total cash and cash equivalents of the Group of €73.4m, approximately €43.4m is deposited in Greek systemic banks, and the remaining approximately €30.0m at the Bank of Greece.

In addition, the Group systematically monitors past due and open client balances.

Liquidity Risk

Exposure to liquidity risk as a whole for the Group is kept at very low levels by maintaining adequate cash.

The main liquidity risk for the Group mainly concerns transactions in the cash market and the derivatives market in which ATHEXClear operates as Central Counterparty.

For ATHEXClear in particular, the aim is to maintain an adequate liquidity level in order to ensure that it is in a position to fulfill its obligations concerning payments or settlement in all currencies that are payable, at the end of each day and/or, if required, on an intraday basis. The estimation of the size of the obligations of ATHEXClear is done both based on its business plan, as well as based on possible, but unforeseen, events.

ATHEXClear's liquidity is monitored based on the criteria set out in EMIR. On a daily basis, and under extreme but reasonable market conditions (stress tests), it is examined whether cash required will be sufficient, following the simultaneous default of the two (2) groups of clearing members to which ATHEXClear has the greatest liquidity claim for closing-out their positions separately for each market (equities, derivatives). In addition, the overall liquidity needs of ATHEXClear are monitored on a daily basis using liquidity gap analysis.

Operational risk

The Group does not seek to take operational risk, but accepts that operational risk may arise as a result of systems failure, internal procedures or human failure. In particular, it is recognized that operational risk may arise among others because of: outsourcing activity, supervisory or regulatory non-compliance, business continuity failure, risks from IT systems, information security and project implementation.

Operational risk is maintained at acceptable levels, through a combination of good corporate governance and risk management, robust systems and controls.

In 2019 there were no cases of interruptions in clearing, settlement and registration at the Group due to failure or unavailability of the IT systems or to human error. There were two cases, limited in duration, of trading system unavailability due to technical problems, which were subsequently identified and corrected. There was no major damage or monetary claims due to litigation (legal and court expenses) or due to non-compliance with the supervisory framework and the contractual obligations of the Group. In addition, there were no losses due to external events.

Measures to reduce operational risk

The Group recognizes the need to determine, estimate, monitor and reduce operational risk that is inherent in its operations and activities, as well as the need to maintain adequate capital, in order to face this particular type of risk.

In particular, for each company and for the Group as a whole, the capital requirements for operational risk is calculated on an annual basis, using the Basic Indicator Approach (BIA); in addition, a framework for systematically monitoring operational risk is in place.

The most important measures for reducing operational risk are the implementation of a business continuity plan for all of the critical services of the Group, the conclusion of insurance policies, as well as measures for ensuring compliance with new regulations. The Group follows a specific methodology for managing operational risk;

according to it carries out on a regular basis RCSAs[1] in order to evaluate and categorize risks, maintains a loss data base[2], creates regular reports and plans actions to improve risk management.

Business continuity plan

The rapid spread of the coronavirus (COVID-19) disease, finds the world financial system and business to a large degree unprepared. The world economy is entering a period of uncertainty and instability, the consequences of which are difficult to estimate based on the facts so far. The economic impact will depend on the duration, the intensity and the spread of the disease in Greece and across the world.

The Group has processed and put into operation an appropriate infrastructure and a disaster recovery plan, which includes:

- *Operation of a Disaster Recovery Site:* The Group maintains a disaster recovery site for its IT systems. In addition, the Group has received and maintains the ISO-22301 business continuity certification.
- *Formation of crisis management teams and emergency incident management:* The purpose of these teams is to maintain continuity in the provision of trading services in case of an unforeseen event. They have been assigned specific responsibilities and specially trained Group staff have been assigned to them.
- *Existence of back up IT systems:* The IT systems of the Group are installed and operate in the data center at the headquarters of the Group. The data center consists of two, independent as to location, supporting infrastructure and technological services provided, individually mirrored data centers, in order to provide redundancy and high availability, ensuring continuous systems operation.

The above have also been tested during the recent rapid spread of the coronavirus which was an significant unpredictable event, to which the Group responded effectively while maintaining its operational continuity.

Insurance contracts

Operational risks which the Group is not able to or does not wish to assume are transferred to insurance companies. In particular, coverage concerns among others third party civil liability and professional liability (DFL/PI) as well as civil liability for BoD members and staff (D&O). There are also insurance contracts covering fire and other risk for the facilities and the work and IT equipment of the Group.

Compliance function

A Chief Compliance Officer for ATHEX and the Group, as well as Chief Compliance Officers for the two companies ATHEXCSD and ATHEXClear have been appointed, with the key objectives of ensuring compliance with the legal and regulatory framework, regulations and policies, measuring and minimizing the risk of regulatory compliance and addressing the consequences of non-compliance with the legal and regulatory framework, with clear and separate reporting lines from those of other company functions.

Their main responsibilities are to:

- Monitor changes in the regulatory and supervisory framework and inform the BoD and staff.
- Conduct gap analysis between the existing and future conditions brought about by regulatory and supervisory changes.
- Monitor compliance of the companies with the legal and regulatory framework.
- Handle requests related to compliance matters.
- Measure and monitor compliance risk.

[1] Risk Control Self-Assessment (RCSA): at regular intervals ATHEXClear organizes workshops for categorizing risk based on the degree of risk exposure at the procedures level and determining Key Risk Indicators (KRIs).

[2] Loss Database: the database is updated on a daily basis with operations risk events independent of the size of the damage.

Indicatively, policies are in effect concerning conflict of interest, outsourcing, complaint management, remuneration of staff, executives and members of the BoD and management of its files.

Business risk

The Group recognizes that the appearance of business risk depends on macroeconomic developments and is affected by external events such as changes in the competitive capital markets environment, changes in the international and domestic economic environment, legal and regulatory developments, changes in taxation policy and in technology etc. Such events may impact the growth and sustainability of the Group, causing a reduction in trading activity, a drop in expected profits, inability to liquidate and/or even the impairment of assets, etc.

In this context, the Group continually and systematically monitors developments and adapts to the environment, and calculates on an annual basis its capital requirements for business risk.

The rapid spread of the coronavirus (COVID-19) disease, finds the world financial system and business to a large degree unprepared. The world economy is entering a period of uncertainty and instability, the consequences of which are difficult to estimate based on the facts so far. The economic impact will depend on the duration, the intensity and the spread of the disease in Greece and across the world.

Internal Audit and Risk Management

The primary concern of the Company is the development and the constant improvement and upgrade of the Internal Audit System, which comprises all of the recorded audit mechanisms and processes that cover the whole range of daily operations and procedures of the Company.

In particular, with regard to the Company's financial operations, a system of safeguards is in place that aims to prevent and/ or detect material errors in time in order to ensure the reliability of the financial statements, the effectiveness and efficiency of operations and compliance with the rules and regulations. Based on specific significance criteria (quantitative and qualitative), important accounts are identified, procedures are recorded, responsibilities and policies are assigned and control points are designed which are being implemented on an ongoing basis by management and staff.

The Board of Directors has the ultimate responsibility to monitor and assess the effectiveness and sufficiency of the Internal Audit System.

Responsible for monitoring compliance with the Internal Audit System are: a) the Audit Committee and b) the Internal Audit Division.

The **Audit Committee** of the Company has been set up by decision of the Board of Directors of the Company and operates based on the Standards for the Professional Application of Internal Audit of the Institute of Internal Auditors, decision 5/204/14.11.2000 of the Hellenic Capital Market Commission, Law 3016/2002 on corporate governance, and Law 4449/2017, as well as the notes, clarifications and recommendations of the Hellenic Capital Markets Commission, as set out in its letter (Protocol no. 1302/28.04.2017).

The main purpose of the Audit Committee is to assist the Board of Directors in the supervision of the quality, adequacy and effectiveness of the internal audit and risk management system, as well as the quality of the work performance of the Company.

The **Internal Audit Division** operates in the manner prescribed by the Code of Conduct and the International Professional Practices Framework (IPPF) of the Institute of Internal Auditors (IIA), decision 5/204/14.11.2000 of the Hellenic Capital Market Commission and Law 3016/2002 on corporate governance. The Internal Audit Division reports to the Board of Directors, through the Audit Committee which supervises it. The above also holds for the subsidiary companies of the Athens Exchange Group.

The main responsibility of the Internal Audit Division is to express an opinion on the compliance or non-compliance of the internal processes of each audited area, as well as to apply the safeguards that have been adopted by Management, in order to prevent and avoid risk.

Management of the Clearing Fund

Cash market

Athens Exchange Clearing House S.A. (ATHEXClear) manages the Clearing Fund in order to protect the System from credit risk of the Clearing Members that arise from the clearing of transactions.

In the Clearing Fund Clearing Members contribute exclusively in cash. ATHEXClear monitors and calculates, on a daily basis as well as during the day, the risk that Clearing Members will renege on their obligations, and blocks the corresponding guarantees in cash and/or letters of guarantee. Based on the guarantees that have been blocked, the credit limits of the members are reevaluated on a daily basis; maintaining the limits takes place in real time during market hours. The minimum size of the Clearing Fund is recalculated at least every month, in accordance with the provisions of the Rulebook, so that its size is sufficient at a minimum to cover at any time the loss, under any extreme market conditions that may arise in case the Clearing Member in which the system has the greatest exposure is overdue.

The participation of each Clearing Member in the Clearing Fund is determined based on its Account in it. The Account consists of all of the contributions by the Clearing member that have been paid into the Fund in order to form it, and is increased by any proceeds resulting from the management and investment of the assets of the Fund, as well as by the cost of managing risk and margins, as determined by ATHEXClear procedures. Revenues and expenses are distributed on a pro rata basis to each Clearing Member account in the Clearing Fund, in relation to the size of the Account balance.

The new size of the Clearing Fund is €12,822,226 for the period from 01.03.2020 to 31.03.2020.

Derivatives market

The BoD of ATHEXClear at meeting number 109/17.11.2014 approved the creation of a set of risk management policies and methodologies as a result of the clearing model changes in the derivatives market, the Regulation on the Clearing of Transactions on Derivatives, as well as due to the adjustments to the requirements of the EMIR Regulation.

In accordance with the new Regulation on the Clearing of Transactions on Derivatives and in particular Part 6 of Section II, a Clearing Fund for the Derivatives Market is set up; the size of the Fund for the time period from 01.03.2020 to 31.03.2020 is €13,897,006. Calculation takes place on a monthly basis.

Management of the Clearing Fund in the Derivatives Market does not differ from the Clearing Fund in the cash market (see above).

Hellenic Energy Exchange (HEnEx)

The “Hellenic Energy Exchange” (HenEx), one of the core pillars of the target-model of the European Union, which aims to create a single European energy market, is a prerequisite to the restructuring of the wholesale electricity market, to the benefit of market participants and end-consumers, as it aims to:

- Couple the Greek market to other European markets.
- Increase competition and transparency, which will have a direct effect in reducing energy costs and providing better prices to households and businesses.
- Ensure the safety of energy supply, diversification of energy sources in the energy mix, as well as further increase the participation of renewable energy sources (RES). Law 4512/2018 amends law 4425/2016 on the restructuring of the Greek electricity market, implementing European Regulations and Directives in order to complete the single European energy market, the so-called Target Model.

In 2020 the Energy Exchange is expected to begin operating with the start of the four new energy markets which will replace the mandatory pool model that is in effect today. This is foreseen by the “road map” for implementing the Target Model that has been set up by the responsible bodies, which received the “green light” by the representatives of the Institutions at the recent negotiations.

On 18.06.2018 decision 9828/18-18.06.2018 by the Deputy Chief of the Athens Central Region (ΑΔΑ 62Α27Λ7-ΤΣΒ) was registered at the General Electronic Commercial Registry (GEMI) (registration number 1405724), which:

- Provides a license to establish the Societe Anonyme with the name “Hellenic Energy Exchange” (“HenEx”), to which the spun-off sector by “Operator of Electricity Market” (“LAGIE”), GEMI Registration number 44658007000 was contributed, in accordance with the provisions of codified law 2190/1920, law 2166/93 (in deviation of case e’ of par. 1 of article 1), article 117B of law 4001/2011 as added by article 96 of law 4512/2018 and the Report Ascertaining the Book Value of the assets of the sector being spun-off, drafted by a Certified Auditor-Accountant.
- Approves the Articles of Association of the company, as drafted by notary act number 4874/15.06.2018.

The Tax Registration Number of the Hellenic Energy Exchange is 801001623 and its offices are on 110 Athinon Ave, 10442 Athens, and are leased from ATHEXCSD.

The share capital of HenEx, in the amount of €5,000,000 divided into 50,000 shares of €100 each was paid in full by 9.7.2018.

The Company (Athens Exchange – ATHEX) paid up its participation in the amount of €1,050,000 obtaining 21% of the share capital.

The shareholders with their stakes in the share capital of HenEx on 31.12.2019 are shown below:

	Value (€)	Shares	Stake
LAGIE [Operator of Electricity Market]	1,100,000	11,000	22%
ADMIE [Independent Power Transmission Operator – IPTO]	1,000,000	10,000	20%
DESFA [Hellenic Gas Transmission System Operator]	350,000	3,500	7%
Athens Exchange	1,050,000	10,500	21%
European Bank for Reconstruction and Development (EBRD)	1,000,000	10,000	20%
Cyprus Stock Exchange	500,000	5,000	10%
Total	**5,000,000**	**50,000**	**100%**

HEnEx published the 2018 Annual Financial Report, reporting net earnings of €101,504.39. The Annual General Meeting of HEnEx shareholders on 5.6.2019 decided not to distribute a dividend for fiscal year 2018.

Hellenic Corporate Governance Council (HCGC)

The Hellenic Corporate Governance Council (HCGC) operates as a Non-Profit Organization, is an entity specializing in the spread of corporate governance principles and strives to develop a culture of good governance in the Greek economy and society. The overall action plan includes: the formation of positions on the regulatory framework, the submission of proposals, participation in consultations and working groups, the organization of educational and information activities, the monitoring and evaluation of corporate governance practices and implementation of corporate governance codes, the provision of assistance tools and the scoring of the performance of Greek enterprises.

In 2019, the HCGC carried out the following tasks:

- It held informative meetings with representatives of institutions and various stakeholders, and actions promoting and showcasing its purpose.
- The Hellenic Fund and Asset Management Association was accepted as a Regular Member of HCGC.
- A scientific event was held in collaboration with the Athens Exchange on 12.03.2019 for corporate governance, the new company law and the law on corporate transformations, with the participation of expert legal and market professionals.
- HCGC participated as an Honorary Member at Diversity Charter Greece and the opening Conference on 9.5.2019.

- A seminar was organized in the first week of September in collaboration with SOL Crowe on issues of explaining financial statements, addressed to non-executive members of Boards of Directors of listed companies, and by the Hellenic Corporation of Assets and Participations (HCAP) on Regulatory Compliance and Corporate Governance addressed to Board members and senior company executives.
- Lastly, the review process of the Hellenic Corporate Governance Code has begun with the drafting of a new Code and the formation of individual working groups consisting of members of the 15member Corporate Governance Council as well as other market executives, to specialize on individual items of the Code.

Participation in Boursa Kuwait

The Athens Stock Exchange decided to participate as a technical, operational and business services provider for Boursa Kuwait by forming a consortium with the largest possible participation from the qualified Local Companies to proceed to the final bidding process, organized by the Capital Markets Authority (CMA) of Kuwait, with regard to the privatization process of Boursa Kuwait.

On February 14th 2019, the Consortium comprising of Athens Stock Exchange (ATHEX), as the qualified international operator and a wide group of leading listed, financial groups in Kuwait, namely Arzan Financial Group (ARZAN), First Investment Company (FIC) and National Investments Company (NIC), were awarded the bid, by way of a closed bidding process organized by the CMA, for a 44% equity stake in Boursa Kuwait, the only market operator and one of the leading stock exchanges in the Gulf area.

The Consortium offered 0.237 Kuwaiti dinar per share for obtaining the abovementioned stake. A 6% stake is owned by the Public Institution For Social Security (PIFSS), while the remaining 50% will be sold to the public through an IPO process. The resulting ATHEX's participation in Boursa Kuwait's equity stake is ca. 0.779%, amounting to an investment of €1.03 million, as shown in the table below:

	Participation	Shares	14.2.2019 winning financial bid (0.237 KWD / share)	Investment (€)
ATHEX	0.779%	1,490,000	353,130.00	1,030,254.41
National Investment Co	14.407%	27,548,200	6,528,923.40	19,048,090.21
First Investment Co	14.407%	27,548,200	6,528,923.40	19,048,090.21
Arzan Financial Group	14.407%	27,548,200	6,528,923.40	19,048,090.21
Total (Consortium)	**44.000%**	**84,134,600**	**19,939,900.20**	**58,174,525.03**
Remaining	6.000%	11,472,900	2,719,077.30	7,932,889.78
Capital Markets Authority	50.000%	95,607,500	22,658,977.50	66,107,414.81
Total	**100.000%**	**191,215,000**	**45,317,955.000**	**132,214,829.62**

The shares of Boursa Kuwait are traded on the OTC platform starting on 15.01.2020, while the exchange rate on 31.12.2019 was 2.942 EUR/KWD.

Participation in the Lebanese Exchange

Athens Stock Exchange and Bank Audi SAL participated in the competitive bid process that was organized by the Lebanese Capital Markets Authority - CMA for the Establishment of a new Exchange (Electronic Trading Platform – ETP) in Lebanon, by forming a Consortium in which ATHEX contributed with its know-how as an International Operator and as Systems and Services provider and Bank Audi with its experience and leading position as a financial institution operating in Lebanon, and the wider Middle East and North Africa region.

Following a selection process where 3 bids were submitted at this RFP, the CMA awarded through a letter to the Bank Audi-ATHEX Consortium the establishment of the new Exchange. The Consortium will contribute $20 million to the ETP's share capital. ATHEX's related participation is expected to reach $1 million.

The active involvement of ATHEX in the new Lebanese Exchange is part of the Group's strategy to leverage its trading and post-trading technical and business know-how and systems in running successfully the Common Platform concept, with Cyprus Stock Exchange (CSE) since 2006, in providing systems and services to the Hellenic National Natural Gas System Operator (DESFA) since 2017, in designing and supporting solutions for third parties in the financial industry, in setting up to provide systems and services to the Hellenic Energy Exchange (ENEX) (since 2018) and its recent involvement in the privatization of Boursa Kuwait (2019).

As a next step, ATHEX along with Bank Audi will closely cooperate with the CMA to implement an effective capital market which will appeal to local and international investors and contribute to the growth of the Lebanese Capital Markets.

The recent unrest in the country and the announced sovereign debt default have delayed the start of the project.

CORPORATE GOVERNANCE STATEMENT

The present Corporate Governance Statement is drafted in accordance with articles 152 & 153 of law 4548/2018 and contains the information that the abovementioned provisions specify as of 31.12.2019.

The Company, being listed on the Athens Exchange, fully complies with the law – the provisions of which supersede in any case – on corporate governance for listed companies that are included in laws 4548/2018, 3016/2002, 4449/2017 as they apply, as well as decision 5/204/14.11.2000 of the BoD of the Hellenic Capital Market Commission; as market operator it applies the provisions of Law 4514/2018 and ESMA guidelines 71-99-598 EBA/GL/2017/12/21.3.2018 on the suitability assessment of the members of the governing body of the market operators and the providers of market reference data services.

The policies and procedures applied by the Company are contained in the Articles of Association, which is hierarchically the supreme rulebook of operation, the Internal Operations Rulebook which is an internal Company document and supplements the provisions of its Articles of Association, and other Rulebooks and policies of the Company that regulate specific functions, and, lastly, the principles and specific practices for listed companies provided for in the Hellenic Corporate Governance Code for listed companies of the Hellenic Corporate Governance Council (HCGC), with which the Company voluntarily complies; the Code is available at http://www.athexgroup.gr/web/guest/esed-hellenic-cgc.

Deviations from the provisions of the Hellenic Corporate Governance Code

I. In accordance with the provisions of article 46 of Law 4514/2018, the assessment of the Board of Directors is the exclusive responsibility of the Nomination and Compensation Committee, and as such the Company deviates from the provision in the Hellenic Corporate Governance Code special practice of Part VII, par. 7.1, in accordance with which the Chairman of the BoD chairs the BoD assessment process.

II. The Annual General Meeting on 30.05.2019 elected a new Board of Directors, in the composition of which the number of executive members on the Board of Directors was reduced from two (2) to one (1), with a corresponding increase in the number of independent members, and in this respect the Company deviates from the general principle of Part II, par. 2.2 of the Hellenic Corporate Governance Code, in accordance with which at least two (2) executive members must be on the Board of Directors.

The Board of Directors, utilizing the findings of the evaluation carried out by the Nomination and Compensation Committee and the recommendations of the independent external consultant who carried out an evaluation of the Board's corporate governance framework in March 2019, recommended to the General Meeting the election of a new Board of Directors, due to the end of the term of office of the previous one, in which the number of executive members was limited from two (2) to one (1), and the number of independent members increased from five (5) to six (6).

As a result of the above increase in the number of independent members of the Board of Directors, their participation in the Board of Directors increased, amounting now to 46.15%, and exceeds the limit of the Hellenic Corporate Governance Code, as well as the significantly lower limit of Law 3016/2002.

With the increase in the number of independent members in line with best practices, adequate staffing and optimal composition was achieved of both the existing as well as the new Committees of the Board of Directors that were established to enhance its supervisory role, as the support pillars of the Board of Directors were strengthened and its communication channels with the executive bodies of the Company that enhance its effectiveness and improve its oversight of management's decision-making.

General Meeting - Shareholder rights

Operation of the General Meeting - Authority

The General Meeting of Shareholders is the supreme body of the Company having the authority to decide on all matters that concern the Company that are not the exclusive responsibility of the Board of Directors, unless the latter decides, on a particular item of the daily agenda, to refer it for judgment to the General Meeting.

The decisions of the General meeting also bind shareholders that were absent or dissented. The General Meeting, except as otherwise provided by the Law and the Articles of Association, is the only competent body to decide on:

a) Modifications of the Articles of Association, including decisions to increase, regular or extraordinary, or to reduce share capital,

b) The election of Members of the Board of Directors and the awarding of the status of Independent Member of the Board of Directors, as well as the appointment of Members on the Audit Committee,

c) The election of regular auditors and determination of their remuneration,

d) The approval of the overall management, under article 108 of Law 4548/20018 and the release of the auditors,

e) The approval and restatement of the Annual Financial Statements and the distribution of the annual earnings of the Company,

f) The approval of the Remuneration Policy of article 110 of Law 4548/2018 and the Remuneration Report of article 112 of Law 4548/2018,

g) The merger, spin-off, transformation, restart, extension of the duration or dissolution of the Company,

h) The change of nationality of the Company,

i) The appointment of liquidators and for any other matter provided by law.

The procedures and convocation rules, participation and decision making by the General Meeting are regulated in detail in the provisions of the Articles of Association of the Company and Law 4548/2018.

Shareholders have the right to participate at the General Meeting, either in person or through a legally authorized representative, in accordance with the legal procedure in effect.

The Board of Directors ensures that the preparation and the proceedings of the General Meeting of shareholders facilitate the effective exercise of shareholder rights; shareholders are informed about all matters relating to their participation in the General Meeting, including the items on the Daily Agenda, and their rights during the General Meeting.

In particular, regarding the preparation of the GM, and in conjunction with the provisions of Law 4548/2018, the Company publishes on its website at least twenty (20) days before the General Meeting, both in the Greek and English languages, information regarding:

- The date, the time and the place where the General Meeting of shareholders is being convened,
- The main rules and practices for participating, including the right to introduce items to the daily agenda and to submit questions, as well as the deadlines for exercising those rights,
- The voting process, the conditions for representation by proxy, and the documents that must be used for voting by proxy,
- The proposed daily agenda of the Meeting, including the draft decisions for discussion and voting, as well as any accompanying documents.
- The proposed list of candidate members of the BoD and their biographical statements (provided that the election of members is on the agenda), and
- The total number of shares and voting rights on the convocation date.

The Chairman of the Board of Directors of the Company, the Chief Executive Officer, and the Chairmen of the Committees of the Board of Directors are present at the General Meeting of shareholders, in order to provide information and brief on matters that are put forth for discussion, and to answer questions or provide clarifications that shareholders request. In addition, at the General Meeting, the head of Internal Audit of the Company and the certified auditors are also present.

The Chairman of the Board of Directors, or if he or she is not able or absent, his or her replacement, temporarily chairs the General Meeting, electing one or two secretaries from among the shareholders that are present and / or from non-shareholders until the list of those able to participate at the General Meeting is certified, and the permanent Chair of the General Meeting is elected. The Chair is comprised of the Chairman and one or two secretaries that also perform vote gatherer duties.

After the list of shareholders that have the right to vote is certified, the General Meeting immediately elects the permanent Chair, which is comprised of the Chairman and one or two secretaries, which also carry out vote gatherer duties. The decisions of the General meeting are taken in accordance with the provisions of the law in effect and the provisions of the Articles of Association of the Company.

The voting results are published on the website of the Company within five (5) days from the General Meeting of shareholders, and are also translated in English.

Shareholder participation at the General Meeting

Any person that has the status of shareholder at the start of the 5th day before the day of the first session of the General Meeting (record date) may participate in the General Meeting. The abovementioned record date also applies in case of a postponement or repeat session, provided that the postponed or repeat session is not more than thirty (30) days from the record date. If that is not the case, or if a new invitation is published for the repetitive general meeting, in accordance with article 130 of law 4548/2018 at the General Meeting the person that has the status of shareholder on the start of the 3rd day before the date of the postponed or repetitive General Meeting participates.

Proof of the status of shareholder is based on the information received by the Company from the company "Hellenic Central Securities Depository" which is the central securities depository providing registry services under the meaning of §5 article 40 of law 4548/2018 and in which the transferrable securities of the Company are held.

Representation at the General Meeting

Shareholders may participate in the General Meeting in person or by proxy.

Each shareholder may appoint up to three (3) proxies. However, if the shareholder possesses shares of the Company which appear in more than one securities accounts, this restriction does not prevent the shareholder from appointing different representatives for the shares in each securities account at a particular General Meeting. The appointment of a proxy is freely revocable.

A proxy that acts for more than one shareholders can vote differently for each shareholder.

The appointment and revocation or replacement of the proxy or representative takes place in writing or by electronic means that are submitted to the Company at least forty-eight (48) hours before the appointed date of the General Meeting. Notification of the appointment and revocation or replacement of the proxy by electronic means is by electronic mail at the email address on the Invitation to the General Meeting.

Shareholders may appoint proxies for one or more General Meetings and for a specific time. The proxy votes in accordance with the shareholder's instructions, if there are any. Non-compliance by the proxy with the instructions received does not affect the validity of the decisions of the General Meeting, even if the proxy's vote was decisive in achieving the majority.

A plenipotentiary document for appointing proxies is available to shareholders in hard copy at the Investor Relations Department of the Company, and in electronic form on the website of the Company (www.athexgroup.gr).

The shareholder proxy is obliged to notify the Company, before the start of the General Meeting, about any specific event, which may be useful to shareholders in order to ascertain the risk that the proxy may serve other interests besides the interests of the shareholder.

A conflict of interest may arise in particular when the representative:

a) Is a shareholder that exercises control of the Company, or other legal person or entity that is controlled by that shareholder,

b) Is a member of the Board of Directors or in general of the management of the Company or a shareholder that exercises control of the Company, or other legal person or entity that is controlled by that shareholder, which exercises control of the Company.

c) Is an employee or an auditor of the Company or a shareholder that exercises control, or other legal person or entity that is controlled by a shareholder that exercises control of the Company.

d) Is a spouse or a relative in the first degree with one of the private individuals that are mentioned in cases a) to c).

The Articles of Association of the Company makes provision, even though this has not been technically implemented, for the remote participation of shareholders at the General Meeting by electronic means, without the physical presence of shareholders at the venue and the participation in the voting by correspondence or electronic means under the terms of law 4548/2018.

Collective and individual minority shareholder rights

1. At the request of shareholders representing one twentieth (1/20) of the paid-up share capital, the Board of Directors is obliged to convene an Extraordinary General Meeting of shareholders, specifying the day of its session, which shall not be more than forty-five (45) days from the date the request was served to the Chairman of the Board of Directors. The request contains the subject of the daily agenda. If the General Meeting is not convened by the Board of Directors within twenty (20) days from the service of the relevant request, it shall be convened by the requesting shareholders, at the expense of the Company, by court judgment issued as part of the protective measures. The judgment determines the place and time of session, as well as the daily agenda. The decision cannot be challenged in court. The Board of Directors convenes the General Meeting in accordance with general provisions or makes use of the procedure of article 135 of Law 4548/2018, unless the requesting shareholders have excluded this last option.

2. At the request of shareholders representing one twentieth (1/20) of the paid-up share capital, the Board of Directors is obliged to include additional items on the daily agenda of the General Meeting, which has already been convened, if the relevant request is received by the Board of Directors at least fifteen (15) days prior to the General Meeting. The additional items must be published or disclosed, under the responsibility of the Board of Directors, in accordance with article 122 of Law 4548/2018, at least seven (7) days before the General Meeting. The request to include additional items in the daily agenda is accompanied by a justification or a draft decision for approval by the General Meeting, and the revised daily agenda is published in a similar manner as the previous daily agenda, thirteen (13) days before the date of the General Meeting and simultaneously made available to shareholders on the website of the Company together with the justification or the draft decision that has been submitted by shareholders, in accordance with the provisions in paragraph 4 of article 123 of Law 4548/2018. If these items are not published, the requesting shareholders are entitled to request the postponement of the General Meeting, in accordance with paragraph 5 and to make the publication themselves, in accordance with the second subparagraph of the present paragraph, at the expense of the Company.

3. Shareholders representing one twentieth (1/20) of the paid-up share capital have the right to submit draft decisions for items that are included in the initial or any revised daily agenda of the General Meeting. The request must reach the Board of Directors at least seven (7) days before the date of the General Meeting, and the draft decisions are made available to shareholders in accordance with the provisions of paragraph 3 of article 123 of Law 4548/2018 at least six (6) days before the date of the General Meeting.

4. The Board of Directors is not obliged to include items in the daily agenda nor publish or disclose them together with the draft decisions that are submitted by shareholders, in accordance with paragraphs 2 and 3 respectively, if their content is obviously in contrast with the law of accepted principles of morality.

5. At the request of a shareholder or shareholders representing one twentieth (1/20) of the paid-up share capital, the Chairman of the Meeting is obliged to postpone decision-making by the Annual or Extraordinary General Meeting, once only, for all or certain items, by setting the date for continuation of the session as requested in the shareholders' request, which shall not be more than twenty (20) days from the date of postponement. The General Meeting, following the postponement, is a continuation of the previous Meeting and a repeat of the publication formalities of an invitation to shareholders is not required. New shareholders can also participate at that meeting, in compliance with the provisions of the article 124 §6 of law 4548/2018.

6. Following a request by any shareholder, which is submitted to the company at least five (5) full days before the General Meeting, the Board of Directors is obliged to provide the General Meeting with the information specifically requested concerning Company affairs, insofar as they are relevant to the items on the daily agenda. There is no obligation to provide information, when that information is already available on the website of the Company, especially if it is available in the form of questions and answers. In addition, at the request of shareholders representing one twentieth (1/20) of the paid-in share capital, the Board of Directors is obliged to announce to the General Meeting, provided it is an Annual meeting, the amounts that, over the previous two years, have been paid to each member of the Board of Directors or to Directors of the Company, as well as any benefit to these persons for whatever reason or by whatever contract of the Company with them. In all of the abovementioned cases, the Board of Directors may refuse to provide such information for sufficiently important reason, which is recorded in the minutes. Such a reason may be the representation of the requesting shareholders to the Board of Directors, in accordance with articles 79 or 80 of Law 4548/2018. In the cases referred to in this paragraph, the Board of Directors may answer once to shareholder requests having the same content.
7. At the request of shareholders representing one tenth (1/10) of the paid-up share capital, which is submitted to the Company by the deadline of paragraph 6, the Board of Directors is obliged to provide to the General Meeting information about the course of corporate affairs and the assets of the Company. The Board of Directors may refuse to provide information for sufficiently important reason which is recorded in the minutes. Such a reason may be the representation of the requesting shareholders to the Board of Directors, in accordance with articles 79 or 80 of Law 4548/2018, provided that the corresponding members of the Board of Directors have received this information in a manner that is adequate.
8. In the cases of paragraphs 6 and 7 of the present, any doubt as to whether a reason for refusal on the part of the Board of Directors to provide information is valid or not, is resolved by court order, which is issued as part of the precautionary measures process. In that same decision, the court obliges the company to provide the information that it had refused to. This decision cannot be appealed.
9. At the request of shareholders representing one twentieth (1/20) of the paid-up share capital, vote on an item or items of the daily agenda takes place by roll-call vote.

In all of the abovementioned cases, requesting shareholders are obliged to prove their shareholder status and, with the exception of the case of the first subparagraph of paragraph 6, the number of shares they possess during the exercise of the relevant right.

Proof of the status of shareholder is based on the information received by the Company from the company "Hellenic Central Securities Depository" which administers the Dematerialized Securities System which is the central securities depository under the meaning of §5 article 40 of law 4548/2018. All of the above information on minority rights and the terms for exercising them are available on the website of the Company (www.athexgroup.gr).

Available documents and information

The information of article 123 §§3, 4 and 5 of law 4548/2018, including the Invitation to the General Meeting, the documents that must be used to exercise the right to vote by proxy or representative, the documents that will be submitted to the General Meeting, the draft decisions on the items of the daily agenda, as well as the information concerning the exercise of minority rights of article 141 of law 4548/2018 are available in hard copy at the Investment Relations Department of the Company (110 Athinon Ave, 1st floor, tel +30-210 3366 616), where shareholders can receive copies at no charge. In addition, all of the abovementioned documents, the total number of shares outstanding and voting rights (in total and by share class) are available in electronic form on the website of the Company (www.athexgroup.gr).

Board of Directors

The Board of Directors which is elected by the General Meeting of shareholders manages the Company and represents it in and out of court. It is the primary obligation and duty of the members of the Board of Directors to constantly strive to increase the long term economic value of the Company and to defend company interests in general. Furthermore, given that the shares of the Company are listed in an organized market, the duty of the Board of Directors consists of constantly striving to increase long term shareholder value. Members of the Board of Directors are forbidden from pursuing their own interests at the expense of the Company's interest. This prohibition applies to all persons to whom the Board of Directors has assigned duties to manage the Company (substitutes of the Board of Directors).

At the end of each fiscal year, the Board of Directors drafts a report on the transactions of the Company with companies related with it (under the meaning of article 32 of law 4308/2014). The report is provided to the supervisory authorities and is brought to the attention of the General Meeting of shareholders of the Company.

In accordance with the Company's Articles of Association, the Board of Directors may decide to assign the exercise of all or some of its rights and or powers concerning the management, administration and representation of the Company to one or more persons, irrespective of whether these persons are members of the Board. The title and responsibilities of each of these persons is always determined in the decision of the Board of Directors appointing them.

The Chief Executive Officer of the Company is its supreme executive officer, responsible for any matter concerning its operation, and has the overall supervision of its operation.

Authority – Responsibilities of the Board of Directors

The Board of Directors (BoD) has a supervisory and executive role. The supervisory role is supported by the establishment of the necessary (as appropriate) committees of the Board of Directors based on legislation in effect and the governance principles followed.

A key responsibility and duty of the members of the Board of Directors is to continuously strive to increase the long term economic value of the Company and to defend company interests in general within the framework of all related legal and supervisory requirements. The Board of Directors is responsible for drafting and approving a documented Business Strategy and to set clear business objectives for the Company.

The Board of Directors, acting collectively, manages and administers corporate affairs. It generally decides any matter that concerns the Company, and takes any action, except those for which either by Law or the Articles of Association, authority rests with the General Meeting of shareholders.

The Board of Directors of the Company has, as a whole, sufficient knowledge and experience, at least regarding the most important functions of the Company, so that it can carry out its supervision on all of its operations, either directly or indirectly through the relevant committees of the Board of Directors. In order to avoid conflict of interest, the Company adopts best practices and corporate governance principles that apply, especially regarding the separation of executive and supervisory duties of the members of the Board of Directors.

1. The Board of Directors manages the Company and develops its strategic orientation, having as its primary obligation and duty to constantly strive to increase the long term economic value of the Company and to defend general corporate interests.
2. The Board of Directors, in discharging its powers and performance of its duties, has at its forefront the interest of shareholders, company employees, other interested parties and the social benefit of its actions. The BoD decides using its fair entrepreneurial judgment.
3. The BoD observes and duly complies with the provisions of the Law as part of the activities of the Company and of the companies associated with it.
4. Decisions that are critical for the Company, especially the specification of its goals and the determination of its strategy are taken only by the BoD. In particular, the BoD:
    - Determines the general business strategy of the Company and its subsidiaries.
    - Drafts the business plan for the time frame that it deems necessary.
    - Approves the annual budget of the Company and monitors its execution on a quarterly basis.
    - Controls and decides on investments (capital expenditures) by the Company.
    - Audits the financial statements.
    - Determines the goals to be attained and the means of attaining them.

- Decides on buyouts, mergers and spinoffs.
- Decides the first level of the organizational structure of the Company and its staffing.
- Approves the General Governance Principles of the Company and its subsidiaries, and decides on the staffing of the bodies required to operate the regulated activities of the Group.
- Determines and staffs the Committees of the Board of Directors that are foreseen by the Corporate Governance Code that the Group complies with.
- Checks the effectiveness of the corporate governance practices of the Company and makes any necessary modifications.
- Selects, monitors and replaces executive members, in case of resignation or forfeiture, and sets down the plan for their succession.
- Determines the remuneration of executive members and other members of the BoD, based on the long term interests of the Company and its shareholders.
- Ensures that a transparent process is maintained in the proposals to elect new members to the BoD.
- Monitors and resolves potential conflicts of interest of managers and shareholders, including poor management of assets of the Company and abuse in relation to transfers to persons closely related with members of the BoD.
- Ensures the integrity of the system of financial reporting and independent audit, as well as the optimum operation of the appropriate internal audit systems, especially for financial and operation audit, risk management and compliance with the legal and regulatory framework in effect.

Besides the above, the Board of Directors has the final responsibility for managing the Company's risks. The responsibilities of the Board of Directors regarding risk management are the following:

- oversee development and implementation of an appropriate risk management strategy to reflect the decision for risk appetite and ensure that management aligns with that decision.
- Oversee development and implementation of an appropriate internal audit system
- Assess compliance with the approved strategy, on the basis of information on risks that include information on key risk factors, as well as regular assessment reports on their overall structure.
- Develop policies and procedures on risk that are consistent with the strategy of the Company and the Group.
- Monitor compliance by management with the policies and risk management procedures.
- Take measures to raise awareness concerning risk.
- Encourage an organizational culture of awareness concerning risk.
- Examine laws, regulations and best practices locally and across the world.
- Carry out official reviews of the risk management systems on an annual basis.
- Review the risk policies and procedures at the Board of Directors and committees and assess risk on a continuous basis.
- Take ultimate responsibility for risk management at the Company.
- Ensure that the policies, the procedures and the controls of the Company are consistent with the tolerance / appetite and ability of the Company to assume risk, and that these policies, procedures and controls address the way the Company identifies, reports, monitors and manages risks.
- Determine and document an appropriate level of risk tolerance and capability for the Company and for all the services it provides.

In order to fulfill their obligations, the members of the BoD have the right of free access to factual, material and timely information.

The BoD meets at least once a month, preferably on dates determined at the start of the calendar year. The BoD has the flexibility to meet whenever deemed necessary.

The BoD is comprised of executive, non-executive and independent non-executive members. Executive members are responsible for the day-to-day management of the Company, while non-executive members are duty bound to promote all corporate affairs.

The responsibilities of the executive members of the BoD are to:

- Constantly strive to increase the long term economic value of the Company, and to protect corporate interests in general.
- Shape the vision, strategic direction, corporate goals and operational plans for all activities of the Company, in accordance with the decisions of the BoD.
- Develop, implement and communicate the policies and action plans, in accordance with the decisions of the BoD.
- Ensure that senior executives take all appropriate measures in order to effectively manage the Company.
- Ensure the systematic and continuous communication with clients, investors, employees, supervisory authorities, the public and other authorities.
- Define clear operational goals and policies for senior executives in their operational sectors of responsibility.
- Review the work of their operational sector of responsibility and brief the BoD.
- Consistently implement the operational strategy of the Company through the effective use of available resources.
- Ensure the completeness and reliability of the data and information that are required for the accurate and timely determination of the financial position of the Company.
- Comply with the legal and regulatory framework that governs the operation of the Company.
- Represent the Company.
- Implement the decisions of the General Meeting of the shareholders of the Company.

The non-executive members and the independent non-executive members of the Board of Directors are tasked with promoting all corporate affairs, i.e. pertaining both to the supervision of the management of corporate affairs, as well as by devising strategies and other directions for all corporate affairs.

The promotion of corporate affairs is carried out as part of the operation of the Board of Directors as a collective body. The Board of Directors remains responsible for monitoring the performance of the duties of the members of the Board of Directors and other persons, to whom it has delegated management responsibilities of the Company, either pursuant to the relevant provisions of Law 4548/2018, or on the basis of a mandate or proxy.

The responsibilities of the non-executive and the independent non-executive members of the Bod are to:

- Constantly strive to increase the long term economic value of the Company, and protect corporate interests in general;
- Monitor the implementation of the approved policy and limits on risk management overall;
- Monitor the consistent implementation and operation of the Internal Audit System;
- Monitor the provision of systematic and continuous internal and external communication;
- Monitor the consistently implement the operational strategy of the Company through the effective use of the available resources;
- Monitoring that the operational plan for achieving the corporate goals is in accordance with the decisions of the General Meeting.

The independent members of the Board of Directors may submit to the annual or extraordinary General Meeting of shareholders: (a) reports, i.e. notification of events, or (b) opinions, i.e. documented opinion on a certain matter. Submission of a report or opinion may be by each member separately, or by more than one such member, or even in common, from all independent members. The contents of the report of opinion must necessarily relate to the subject that is on the daily agenda of the Meeting.

The exercise of the powers of the Board of Directors

1. The Board of Directors acts collectively and is responsible to decide on any action that concerns the management of the Company, the management of its assets and in general the promotion of corporate affairs and the pursuit of its objectives, in accordance with the powers conferred upon it under article 10 of the Articles of Association of the Company and the law.
2. The Board of Directors meets as a Board in accordance with the relevant provisions of Law 4548/2018 and the Articles of Association of the Company. In order for a meeting to be legal, the quorum is ascertained based on all members of the Board which participate and express an opinion on the matters raised The Board decides on the majority principle, which is calculated based on the total number of members present and represented.
3. Members of the Board of Directors must carry out their duties with due diligence. This diligence is judged based on the status of each member and the duties assigned her by the law, the articles of association or by decision of the competent corporate bodies. This diligence assumes that the member of the Board, in carrying out her duties, acted in accordance with corporate interest. Safeguarding corporate interest requires judgement on the part of the Board member, as well as a classification of the individual interest which comprise corporate interest, in order to serve those which best promote general corporate interest.
4. The responsibility of the Board of Directors, as a collective body, responsible for the management of the Company and the management of corporate affairs, is judged based on the provisions of article 102 of Law 4548/2018. A member of the Board is relieved of his responsibility if he can prove that he acted with due diligence in carrying out his, i.e. the care of a prudent businessperson operating in similar circumstances.

Composition – Term of office of the Board of Directors

In accordance with the Articles of Association, the Company is managed by a Board of Directors which is composed of nine (9) up to thirteen (13) members.

Based on Law 3016/2002, the Board of Directors consists of executive and non-executive members. The number of non-executive members of the BoD must not be less than one third (1/3) of the total number of members. Among non-executive members of the BoD, at least 1/3 must be independent, under the meaning of article 4 of the above Law.

In order to nominate candidates for the BoD, the Nomination and Compensation Committee and the BoD have set criteria in accordance with the regulatory requirements in effect, based on the following texts: (a) the provisions of Law 4514/2018; (b) ESMA guidelines 71-99-598 EBA/GL/2017/12 on the assessment of suitability of BoD members; (c) the provisions of Law 3016/2002; and (d) international best practice.

In accordance with the above, the general principles, the process, as well as the criteria for nominating candidate members to the BoD include, among others: (a) fit and proper criteria; (b) conflict of interest avoidance criteria; (c) criteria for availability and dedication of sufficient time to the work of the BoD; (d) criteria concerning financial experience in the field the Company operates, a commitment to apply internationally recognized best practices with an emphasis in risk management, regulatory compliance and the System of Internal Audit (SIA), sufficient knowledge of the regulatory and business framework in which the Company operates, as well as (e) criteria concerning the candidate's independence, morality and personality.

In particular, in order for a person to be considered by the BoD and the Nomination and Compensation Committee as a suitable candidate, he/she must:

(a) meet the following eligibility criteria:

Honesty, integrity and reliability: The candidate, based on his/her record, must have the ability to inspire in his face the confidence required to join the supreme governing body of the Company. The Nomination and Compensation Committee ensures that all candidates are persons of integrity.

Experience and previous service: The candidate should have sufficient experience and a successful career in his field. It should also be able to substantiate such previous experience which covers the requirements of this paragraph.

Independent will: The candidate should have the necessary behavioral skills which include among others the ability to form and express independent judgement on all matters dealt with by the BoD.

(b) not have a conflict of interest with the Company:

The Nomination and Compensation Committee ensure that the candidate member of the BoD of the Company does not have professional qualities incompatible with the status of member of the BoD of the Company, and that personal, business or professional interests and the relationships of the candidates do not consistently conflict with the interests of the Company and the Group, in accordance with the applicable legal and regulatory framework. All candidates must submit, before their final election, a statement that there will be no conflict of interest with the Company following their election as members of the BoD.

(c) be able to devote sufficient time to the BoD of the Company in relation to the position for which they are proposed:

All persons considered must be in a position to devote sufficient time and energy in carrying out their duties. In the case of non-executive members, special attention must be paid to their commitments in other BoDs and other commitments outside the Company.

In accordance with article 46 of Law 4514/2018, members of the BoD may not hold more than one of the following combination of positions in Boards of Directors at the same time: (a) a position as executive member of the BoD and two positions as non-executive member of the BoD; (b) four positions as non-executive member of the BoD.

(d) In addition, in the context of evaluating the adequacy of knowledge, skills and experience that candidates are being examined on, it is desirable to have one or more of the characteristics mentioned below, that the BoD collectively covers:

- Theoretical and practical experience in brokerage operations. Adequate understanding of capital markets and of the special characteristics of operators of organized markets.
- Financial experience: adequate understanding of audit and accounting issues, financial reporting and the ability to interpret the financial information of the Company, identify key issues based on those data, and appropriate control systems and measures.
- Strong commitment to implement internationally recognized best practices with an emphasis on corporate governance, risk management, regulatory compliance and the System of Internal Audit ("SIA").
- Regulatory framework and governance: Adequate knowledge of the regulatory framework of operation of organized market operators, matters of corporate governance and legal responsibility.
- Risk management: Ability to oversee the risk management framework including risk management culture and the appetite for assuming risk. Ability to identify, evaluate and classify the major risks faced by the Company. Understanding the fundamental issues related to risk management, as well as fund management.
- Strategy: Understanding the environment in which the Company operates, including the ability to recognize the interests of the parties involved (e.g. shareholders, listed companies, trading members, clearing members, operators, custodians, Regulatory Authorities, employees), the economic interdependencies, as well as other external influences in the ability of the organization to achieve its goals.
- Leadership profile: Experience in large Groups (listed or non-listed on an exchange), active in various sectors, preferably in leadership positions (e.g. BoD Chairman, Chief Executive Officer or other senior management role).

- Willingness for constructive arguments in the formulation of BoD decisions: Willingness and moral and intellectual stature to constructively challenge the decisions and actions of the executive management of the Company, while maintaining the necessary teamwork spirit and avoiding tensions.
- Balance in the participation of the two sexes: Satisfactory balance between men and women on the Board of Directors, in accordance with the regulatory framework in effect.
- Independence: in case of an independent non-executive position, the candidate must meet all formal independence criteria of Law 3016/2002 and be compatible with European Commission recommendation 2005/162/EC.

Additional criteria for executive members of the BoD: Persons considered for the position of executive member of the BoD should additionally be willing to enter into a full-time employment or service contract with the Company, and to have proven, both in the current as well as in past positions, that they have the experience, the ability and integrity as executive members to guide the Company (and its Group) in achieving its strategic goals.

In accordance with §§3 and 4 of article 44 of Law 4514/2018, the Hellenic Capital Market Commission checks the suitability of the members of the Board of Directors.

In accordance with the Company's Articles of Association, the term of office of the Board of Directors is four years, which is automatically extended until the Annual General Meeting of the shareholders of the Company which will meet or be convened after the end of its term of office.

Members are elected by the General Meeting of shareholders, in accordance with the provisions of Law 4548/2018. The changes in the composition of the Board of Directors that take place during the fiscal year are, in accordance with the law, announced at the next Annual General Meeting.

Members of the Board of Directors can always be reelected and can be freely recalled.

The current Board of Directors of the Company was elected by the Annual General Meeting of shareholders in 2019, and whose term of office ends on 30.5.2023, extended until the General Meeting that will convene after the end of its term of office, consists of thirteen (13) members. The composition of the BoD today is as follows:

Name	Position	Date of 1st election	Participation in Committees of the BoD			
			Audit	Nomination & Compensation	Strategic Planning	Risk
1. George Handjinicolaou	Chairman, non-executive member	27.12.2017		M	C	C
2. Alexios Pilavios	Vice Chairman, non-executive member	28.09.2011			M	M
3. Socrates Lazaridis	Chief Executive Officer	26.10.2010				M
4. Alexandros Antonopoulos	Independent non-executive member	19.04.2010	C			
5. Konstantinos Vassiliou	Non-executive member	16.02.2015			M	M
6. Giorgos Doukidis	Independent non-executive member	30.05.2019	M		M	M
7. Ioannis Emiris	Non-executive member	28.01.2013			M	M
8. Polyxeni Kazoli	Independent non-executive member	30.05.2019		C		
9. Sofia Kounenaki – Efraimoglou	Independent non-executive member	31.08.2010		M		
10, Ioannis Kyriakopoulos	Non-executive member	22.02.2016				
11. Adamantini Lazari	Independent non-executive member	29.12.2009	M			

12.	Spyridoula Papagiannidou	Independent non-executive member	30.05.2019	M	M
13.	Nikolaos Chryssochoides	Non-executive member	07.05.2007	M	M

C: Chairman | M: Member

The composition of the Board of Directors is:

- 12/13 (92%) non-executive members
- 6/13 (46%) Independent non-executive members
- 4/13 (31%) women

The biographical statements of the members of the current Board of Directors are available on the website of the Company (www.athexgroup.gr).

Mrs. Maria Saxoni, attorney, head of the Group Corporate Secretary & Corporate Governance Unit has been appointed Secretary to the Board of Directors.

Election – Replacement of members of the Board of Directors

The members of the Board of Directors are elected by secret ballot by the General Meeting of shareholders, in accordance with the provisions of Law 4548/2018. The members of the Board of Directors can be shareholders or third parties, can always be reelected, and are freely recalled.

If a member of the Board of Directors resigns, dies, or forfeits his office for any reason, or is declared forfeit by a decision of the Board of Directors due to unaccounted for absence from the meetings for three straight months, the Board of Directors may continue to manage and represent the Company without replacing these members, provided that the remaining members are at least nine (9).

If the number of members of the Board of Directors drops below nine (9), and provided that the remaining members are at least three (3), the Board of Directors is obliged to elect replacements for the remainder of the term of office for the members being replaced, at least up until the ninth (9th) member. The decision on the election is published as provided by article 13 of Law 4548/2018, as it applies, and is announced by the Board of Directors at the next General Meeting that is convened, which can replace the member elected even if such an item has not been included in the daily agenda. In any case, all actions of the members of the Board of Directors that have been elected in such a manner are considered valid, even if the members are replaced by the General Meeting.

Formation of the Board of Directors in a body

The Board of Directors elects from among its members, by an absolute majority of members present or represented, the Chairman, the Vice Chairman who replaces the Chairman when he or she is absent or unavailable, while when the Vice Chairman is absent or unavailable he or she is replaced by another member of the Board of Directors appointed by it, or on occasion by the Chief Executive Officer of the Company. In addition, the Board of Directors, by an absolute majority of members present or represented, appoints its Secretary who may not necessarily be a member of the Board of Directors. These elections always take place during the first meeting of the Board of Directors following the General Meeting that decides the election of a new Board of Directors. The Chairman, the Vice Chairman as well as the Chief Executive Officer can always be re-elected.

Convening the Board of Directors

The Board of Directors is convened by the Chairman or the Vice Chairman replacing him, and meets at the headquarters of the Company, or through teleconference, in accordance with the provisions of law 4548/2018 that are in effect, at least once a month.

The Board of Directors can legally meet outside its headquarters in another location, either in the country or abroad, provided that at the meeting all of its members are present or represented, and no member is opposed to holding the meeting and to taking decisions.

In fiscal year 2019 the Board of Directors met sixteen (16) times.

The attendance of each member of the Board of Directors at the meetings that took place in fiscal year 2019 is shown in the following table:

Name	Meetings in the term of office	Number of meetings – present via proxy	Number of meetings - presence in person
George Handjinicolaou	16	-	16
Alexios Pilavios	16	-	16
Socrates Lazaridis	16	-	16
Alexandros Antonopoulos	16	-	16
Konstantinos Vassiliou	16	-	14
Giorgos Doukidis (1)	10	1	8
Ioannis Emiris	16	-	13
Polyxeni Kazoli (1)	10	2	8
Sofia Kounenaki – Efraimoglou	16	-	16
Ioannis Kyriakopoulos	16	-	16
Adamantini Lazari	16	1	15
Spyridoula Papagiannidou (1)	10	2	8
Nikolaos Chryssochoides	16	1	15
Dimitris Karaiskakis (2)	6	-	6
Nikolaos Milonas (2)	6	-	6
Dionysios Christopoulos (2)	6	-	6

(1) Elected to the BoD for the first time by the General Meeting on 30.05.2019
(2) Departed the BoD on 30.05.2019

Quorum – Majority – Member representation - Minutes

The Board of Directors has a quorum and is legally in session when one half plus one of the members is present or represented; however, the number of members that are present cannot be less than three (3). In order to calculate the number necessary for the quorum, any fractional remainder is discarded.

When the Board of Directors meets by teleconference, the members that participate in the teleconference are considered to be physically present.

The decisions of the Board of Directors are taken by an absolute majority of those present and represented, unless the law or the Articles of Association stipulate otherwise.

A member of the Board of Directors may be represented at the meetings only by another member of the Board of Directors, authorized in writing (including email, telegram or telefax), addressed to the Board of Directors.

Drafting and signing minutes by all members of the Board of Directors or their representatives is equivalent to a decision of the Board of Directors, even if no meeting had previously taken place.

The discussions and decisions of the Board of Directors are recorded in summary form in a special ledger which may be kept electronically. At the request of a member of the Board of Directors, the Chairman is obliged to record in the minutes an exact summary of the member's opinion. In this ledger, a list of members present or represented at the meeting of the Board of Directors is recorded.

Delegating responsibilities of the Board of Directors to consultants or third parties

The Board of Directors may, by a decision taken by an absolute majority of the members that are present and/or represented, delegate the exercise of all or some of its rights and or powers concerning the management, administration and representation of the Company to one or more persons, irrespective of whether these persons are members of the Board. The title and responsibilities of each of these persons is always determined in the decision of the Board of Directors appointing them.

Remuneration of the Board of Directors – Remuneration policy

A key requirement for continuous, long term growth, as well as for ensuring the constant presence and sustainability of the company in the market, is the alignment of the goals and motives of the members of the BoD, executives and in general all employees of the business with the goals of shareholders as well as with overall market conditions.

The Company establishes, maintains and applies the key principles and rules in relation to the remuneration of the Members of the Board of Directors and executives (hereinafter "Remuneration Policy") that contribute to the corporate strategy, the long-term interests and sustainability of the Company.

The Remuneration Policy was approved in accordance with article 110 of Law 4548/2018 and the decision of the Annual General Meeting on 30.05.2019, and was registered on 21.06.2019 in the General Commercial Registry. The Remuneration Policy went into effect following its approval by the General Meeting and will apply for fiscal years 2019-2021, unless the General Meeting during that time decides to amend it.

The purpose of the Remuneration Policy is to maximize the value of the Company, through a culture of continuous improvement, development, high performance and commitment to the achievement of goals and the interests of all stakeholders. The Remuneration Policy sets the guidelines that the Human Resource Management Division should take into consideration for the remuneration strategy that is applied at the Group.

The Board of Directors makes a proposal that is submitted to the General Meeting concerning the remuneration of its members for the services provided. This proposal is drafted in compliance with the legal and regulatory framework to which the Company is subject to, based on the Remuneration Policy of the Company and best practices in the sector, in a manner that adequately reflects the time and effort that members are expected to make in order to contribute to the work of the Board of Directors and its Committees, but at the same time promote the efficiency of the work of the Board of Directors.

The Non-Executive Members of the Board of Directors receive base pay for their participation as members of the BoD, the time devoted in meetings of the BoD and in the execution of duties assigned to them.

The non-executive Chairman receives annual base pay for carrying out his/her role.

Non-Executive Members receive an additional fixed amount for supplementary responsibilities, such as the chairmanship and participation in Committees, which is approved by the General Meeting.

The remuneration of the Non-Executive Members is paid in cash and is subject to the deductions provided for by tax and social security legislation. The amount payable takes into consideration the time commitment and the active participation of the member in the Board of Directors & Committee meetings.

Non-Executive Members do not participate in any retirement, fringe benefits or long-term incentives plan, and do not receive additional remuneration (bonus), stock options or other performance-related remuneration.

The remuneration of non-executive members of the Board of Directors, for their participation at the meetings of the Board of Directors and in the Committees of the Company for fiscal year 2019 which were preapproved by the General Meeting of shareholders on 2019 was the following:

Until the date of the Annual General Meeting - 30.05.2019	
Remuneration for participation in the BoD	€160.00 per meeting
Remuneration for participation in the Investments Committee*	€140.00 per month
Remuneration for participation in the Audit Committee	€160.00 per meeting

* *The Investments Committee was abolished on 30.05.2019 and its responsibilities are carried out by the Strategic Planning Committee*.

From the date following the date of the Annual General Meeting (01.06.2019)	
Annual base pay for participating in the BoD	
Non-executive Chairman of the BoD	€7,500.00
Non-executive Member	€5,000.00

Supplementary to base pay annual remuneration for participation in Committees		
Committee	**Chairman**	**Member**
Audit Committee	€6,750.00	€4,500.00
Nomination & Compensation Committee	€2,250.00	€1,500.00
Risk Committee	€3,750.00	€2,500.00
Strategic Planning Committee	€3,750.00	€2,500.00

All of the abovementioned amounts are gross before taxes and other fees, including third party fees.

In particular, the remuneration of the non-executive members of the Board of Directors that has been preapproved for participation at the Board of Directors and its Committees in 2019 amounts to €76,150.92 (net remuneration €65,741.09) and in particular:

- Gross remuneration of €46,568.58 for BoD representation expenses for the non-executive members; net remuneration: €40,202.66.
- Gross remuneration of €11,107.50 for Audit Committee members; net remuneration: €9,589.10.
- Gross remuneration of €2,100.00 Strategic Investments Committee members; net remuneration: €1,812.93.
- Gross remuneration of €2,625.00 for Nomination & Compensation Committee members, starting on 1.6.2019; net remuneration: €2,266.16.
- Gross remuneration of €9,374.88 for Strategic Planning Committee members, starting on 1.6.2019; net remuneration: €8,093.33.
- Gross remuneration of €4,374.96 for Risk Committee members, starting on 1.6.2019; net remuneration: €3,776.90.

The remuneration of the executive members of the Board of Directors (which include the Chief Executive Officer & until 30.05.2019 when he departed from the BoD the Chief Technology Officer) are preapproved by the General Meeting of shareholders. As regards the remuneration of the executive members of the Board of Directors, the following apply:

- The Remuneration Policy of the Company as approved above, for positions of a similar level with those held by the members of the Board of Directors in question; and
- the terms of their individual employment contracts (which have been approved by the GM of shareholders of the Company).

The remuneration structure for executive members of the Board of Directors which do not receive remuneration for their participation in the Boards of Directors of the companies of the Group, includes a fixed and an ancillary part, as follows:

- Annual base pay and representation expenses
- Ancillary benefits (in the form of additional benefits), always in accordance with their position in the Company hierarchy, the corresponding corporate policies, and in accordance with the terms of their indefinite term employment contracts.

In particular:

Annual base pay is the fixed part of the remuneration for executive members of the Board of Directors, and is determined in their individual employment contracts following approval by the General Meeting of shareholders of the Company, taking into consideration the level of their position in the organization, the importance of their position, their duties and responsibilities as well as market data on comparable positions of a similar level.

As far as other additional benefits are concerned, executive members of the Board of Directors receive ancillary benefits, which are provided without exception to all personnel of the Group, are part of the overall policy of the Company and do not provide any incentive for assuming risk. Such benefits are for example health insurance.

It should be noted that the Annual General Meeting of shareholders of the Company of 29.5.2014 approved the extension of the term in the individual employment contract of the Chief Executive Officer and the Chief Technology Officer concerning the reduction in their annual remuneration, which for fiscal year 2019 amount to €185,421.56 annually for the Chief Executive Officer and €31,645.81 for the Chief Technology Officer for the time until 30.05.2019 when he departed the 30.05.2019, have been preapproved by the General Meeting on 30.5.2019 and will be submitted for approval by the forthcoming General Meeting.

The abovementioned remuneration of executive members covers their services to all the companies of the Group. No bonuses, stock options or performance based remuneration have been granted.

Assessment of the Board of Directors

The Company assesses the way the Board of Directors functions and carries out its duties. Locating and assessing the strengths and weaknesses is a prerequisite for the improvement of the effectiveness of the BoD.

In order to assess the Board of Directors, the provisions of article 46 of law 4514/2018 "Markets in financial instruments and other provisions" are applied, as well as the guidelines ESMA 71-99-598 EBA/GL/2017/12/21.3.2018 on assessing the suitability of the members of the administrative body and of the persons that hold key positions in the "Nomination and Compensation Committee" ("the Committee") and, additionally, the Hellenic Corporate Governance Code in accordance with which there is a general principle on the regular self-assessment by the Board of Directors of its effectiveness in carrying out its duties, as well as that of the Chairman and of the BoD Committees.

In addition to the above self-assessment of the Board of Directors, every two years an assessment of the Board of Directors is carried out by an independent specialized consultant.

The self-assessment takes place within the first quarter of each year and concerns the previous year. The Committee oversees the assessment process, and plans and coordinates that regular assessment process of the Board of Directors and its members, the Committees of the Board of Directors, the Chairman of the Board of Directors and the Chief Executive Officer, ensuring that it is carried out adequately. The Committee:

(a) Periodically – at least annually – assesses the suitability of the structure, the size, the composition and performance of the Board of Directors and its Committees and submits proposals to it related to potentially required changes

(b) Periodically – at least annually – assesses the knowledge, abilities and experience of the members of the Board of Directors individually and the Board as a whole, and submits reports to the Board of Directors

(c) Periodically – at least annually – assesses the performance of the Chairman of the Board of Directors and its Committees

(d) Periodically – at least annually – evaluates the performance of the Chief Executive Officer on the current fiscal year always in conjunction with the goals of the approved budget and prevailing market conditions.

The assessment of effectiveness is performed by filling out assessment forms prepared by the Committee which cover the overall requirements / expectations as part of the provisions of the Law and the Corporate Governance Code.

Besides questionnaires, the Committee may gather any additional material it deems useful to the process, carry out personal interviews with the members of the Board of Directors or / and senior executives of the Group who do not participate in it but are in contact with the members of the Board of Directors etc.

The Committee summarizes the results of the assessment. After discussion among its members, they are presented and discussed at the Board of Directors of the Company where the appropriate remedial measures are proposed and decided to resolve any identified weaknesses.

In March 2019, the Committee carried out the – planned as above – annual assessment of the Board of Directors. Along with the assessment of the Board of Directors by the Committee, an assessment of the corporate governance framework of the Board of Directors was carried out by an internationally renowned, experienced and specialized independent consultant. The results were reviewed by the Committee and were then presented and discussed at the Board of Directors in April 2019. Based on the recommendations made the Company has taken corrective actions, which are being closely monitored.

The Board of Directors using the findings of the assessment, recommended to the General Meeting the election of a new Board of Directors, which increased the number of independent members and the participation by women.

In addition, as part of the gradual renewal of the members of the Board of Directors, and with the aim of expanding the representation of members in order to best serve corporate interest to the benefit of Company shareholders, persons with years of experience in the areas of corporate governance, auditing and risk management, digital transformation, and information technology were elected.

Other professional commitments of the members of the BoD

The members of the current Board of Directors have notified the Company about the following professional commitments (including significant non-executive commitments to corporations and non-profit organizations):

BoD member	Professional commitment
George Handjinicolaou	• Non-executive Chairman of the BoD of the subsidiary Hellenic Central Securities Depository • Non-executive Chairman of the Board of Directors at Piraeus Bank and Chairman of the Strategic Planning Committee • Non-executive Chairman of the BoD of the Energy Exchange Clearing House • Chairman of the Hellenic Bank Association • Chairman of the BoD of the Piraeus Bank Group Cultural Foundation • Etolian Capital LLC, Partner • George & Judith Handjinicolaou Foundation, Trustee
Alexios Pilavios	• Non-executive Chairman of the BoD of the subsidiary Athens Exchange Clearing House • Non-executive Chairman of the BoD at Alpha Asset Management • Non-executive Vice Chairman of the BoD at ABC Factors • Independent non-executive member of the BoD of Mytilineos • Member of the BoD of the Hellenic-American Educational Foundation
Socrates Lazaridis	• Chief Executive Officer and executive member of the BoD of the subsidiaries “Athens Exchange Clearing House” and “Hellenic Central Securities Depository” • Chairman of the Stock Markets Steering Committee • Member of the BoD of the Hellenic-American Chamber of Commerce • Member of the BoD of the Hellenic Council on Competitiveness • Vice Chairman of the Federation of Euro-Asian Stock Exchanges (FEAS)
Alexandros Antonopoulos	• Member of the Finance Committee of the Synod of the Church of Greece

BoD member	Professional commitment
Giorgos Doukidis	• Non-executive member of the BoD of Alumil • Non-executive member of Attica Bank • Non-executive member of Convert Group • Member of the BoD of the Aluminium Association of Greece • Member of the BoD of the Hellenic Committee ECR-Hellas • Professor at the Athens University of Economics and Business (AUEB) • Director of eBusiness Research Center at AUEB
Konstantinos Vassiliou	• Deputy Chief Executive Officer of Eurobank Ergasias • Executive Chairman of the Board of Directors of Eurobank Factors • Non-executive member of the Board of Directors of Eurobank Equities • Member of the BoD of Marketing Greece
Ioannis Emiris	• General Manager of Wholesale Banking at Alpha Bank • Non-executive Member of the BoD of Alpha Bank London Ltd • Chairman of the BoD of Alpha Finance • Non-executive Chairman of the BoD of the Hellenic Energy Market • Non-executive Chairman of the BoD of Energy Exchange Clearing House
Polyxeni Kazoli	• Non-executive member of the BoD of the subsidiary ATHEXCSD • Member of the BoD of the Hellenic Corporate Governance Council • Member of the Supervisory Board of the Hellenic Corporate of Assets and Participations (HCAP) • Senior Advisor Corporate Governance Nestor Advisors Ltd
Sofia Kounenaki – Efraimoglou	• Vice Chairwoman of the Foundation of the Hellenic World • Chairwoman and Chief Executive Officer of Adrittos Holdings – a company of the Foundation of the Hellenic World • Member of the BoD of the Peloponnesian Folklore Foundation (Foundation affiliated with the Foundation of the Hellenic World) • Member of the BoD at the Athens Chamber of Commerce and Industry (ACCI), and President of the National Chamber of the Network of Greek Women Entrepreneurs, an ACCI company • Cashier of the BoD at ALBA (Athens Laboratory of Business Administration) • Member of the Governing Council of the Hellenic Corporate Governance Council • 2nd Vice Chairwoman of the BoD of Technopolis-Acropolis • Chairwoman and Chief Executive Officer of VEK Industrial-Commerce-Construction Holdings and Ladis Hotel, Tourism and Construction – entities for managing private financial interests • Vice-Chairwoman of the Hellenic – Latin American Business Council BoD • President of the Education and Integration of Immigrants and Refugees Institute • Non-executive member of the BoD of Lavipharm • Member of the Business Advisory Council of the Business MBA International Program at the Athens University of Economics • Member of the General Council of the Hellenic Federation of Enterprises (SEV)
Ioannis Kyriakopoulos	• General Manager of NBG Real Estate • Non-executive member of the BoD of Prodea REIC • Executive Chairman of the following subsidiaries of the National Bank of Greece Group: a) Ethniki Ktimatikis Ekmetalefsis; b) NBG Property Services; c) Mortgage, Touristic PROTYPOS; d) EKTENEPOL Construction; e) KADMOS; f) DIONYSOS; g) Hellenic Touristic Works
Adamantini Lazari	• Non-executive Vice-Chairperson of the BoD of the subsidiary ATHEXCSD • Advisor to the Board - Domius Capital Advisors LLP (consulting company based in London) • Member of the Investments Committee of the Economists Occupational Insurance Fund
Spyridoula Papagiannidou	• Director in the Banking Supervision Department of the Bank of Greece • Member of the Management Board of the European Banking Authority • Member of the Board of Supervisors of the European Banking Authority • Alternate member of the Supervisory Board of the Single Supervisory Mechanism of the European Central Bank

BoD member	Professional commitment
Nikolaos Chryssochoides	• Chief Executive Officer of N. Chryssochoides Brokers • Vice Chairman of the BoD of the Association of Members of the Athens Exchange • Member of the BoD at Compro IT S.A. • Member of the BoD at NBG Asset Management

It is noted that no member of the Board of Directors of the Company participates in the Boards of Directors of more than five (5) listed companies.

Ownership of shares of the Company by BoD Members

Shareholder	No. of shares (direct holdings)	% of the share capital of the Company
Socrates Lazaridis, Chief Executive Officer	13,200	0.022%
George Handjinicolaou, Chairman	1,150	0.002%

Committees of the Board of Directors

As part of the continuous improvement of the organizational structure of the Company and the Group, the Board of Directors has assigned specialized matters to the following key special Committees, among others, which meet on a regular or ad hoc basis.

Audit Committee:

On 31.12.2019 and the date of publication of the Annual Financial Report, the composition of the Audit Committee, which was appointed by the Annual General Meeting of shareholders of the Company on 30.05.2019, in accordance with the relevant provisions, is as follows:

Chairman	Alexandros Antonopoulos, independent Member
Members	Adamantini Lazari, independent Member
	Giorgos Doukidis, independent Member

The Audit Committee operates as an oversight committee supporting the Board of Directors and its main purpose is to supervise the quality and integrity of the accounting and auditing mechanisms, as well as the process by which the financial statements are produced.

In carrying out its duties, the Audit Committee oversees (i) the financial information process, (ii) the external audit process, (iii) the effectiveness of the internal audit systems, and (iv) the evaluation of the operation of the Internal Audit Division, and reports directly to the Board of Directors of the Company.

Besides its responsibilities to the Company, the Audit Committee, up until 12.08.2019 when it was appointed as Audit Committee for the subsidiary ATHEXCSD, as part of its responsibilities at the Group level, was informed on a regular basis on matters relating to the internal and external audits of the subsidiary company “Hellenic Central Securities Depository” (ATHEXCSD).

The Audit Committee consists of at least three (3) non-executive members of the Board of Directors that are not involved in the operation of the Company in any way, in order to be able to pass judgment that is objective and independent without conflict of interest. In addition, the majority of the members of the Audit Committee consists of independent non-executive members.

The main responsibilities of the Committee are:

Supervision of the Internal Audit Division

- Examine and approve the Internal Audit Regulation, and any amendments thereto, in order to assure that it complies with International Internal Audit Standards.
- Propose to the Board of Directors the appointment and dismissal of the Director of Internal Audit with the criterion of, among others, ensuring the independence and objectivity of the Internal Audit Division.
- Assess the Director of Internal Audit.
- Monitor and supervise the Internal Audit Division, including the professional conduct of its officials, in accordance with Greek and European laws and regulations, as well as International Standards and the Code of Conduct of the Institute of Internal Auditors and evaluate the work, adequacy and effectiveness, without affecting its independence.

  In particular, it assesses the staffing, including the professional competence of the officials, and the organizational structure of the Internal Audit Division and identifies any weaknesses. If it deems appropriate, it submits proposals to the BoD so that the Division possess the necessary means, is adequately staffed with sufficient knowledge, experience and training, and have no restrictions in is work and have the anticipated independence.

  It is informed about the annual audit schedule of the Division before it is carried out and assesses it, taking into consideration the core business and financial risk sectors, as well as the results of previous audits. In this context, the Committee examines whether the annual audit schedule (in conjunction with any mid-term and short-term schedules) covers the main audit areas and systems that are subject to financial information and approves the short-term, mid-term and long-term plan of the Division and any possible modifications.

  It has regular meetings with the Director of Internal Audit to discuss matters of his responsibility, as well as any issues that may have arisen from the internal audits. The Committee receives knowledge of the work of the Internal Audit Division and of its regular and ad-hoc reports, and informs the Board of Directors about their content concerning the financial information of the Company. In this context it examines and assesses the audit reports of the Internal Audit Division as well as management comments.
- Receives key reports and audit findings at least on a quarterly basis and examines whether senior management executives take the necessary corrective measures on time in order to deal with audit weaknesses and other significant matters that are discovered by the Internal Audit Division and informs the Board of Directors.
- Assigns to the Division of Internal Audit the audit of any activity of the Company for which there is suspicion of fraud, and immediately informs the Board of Directors of important cases.
- Informs the Board of Directors on other internal audit matters of the Company, in accordance with the processes in effect.

Supervision of the external auditors

- Examines and submits recommendation to the Board of Directors, in accordance with article 16 of Regulation (EU) 537/2014 and the provisions of Law 4449/2017 and in general the legal and regulatory framework in effect, on the submission of a proposal to the General Meeting concerning the appointment, reappointment and recall of the certified auditors, as well as their terms of employment and their fee.
- Preapproves the remuneration of the certified auditor in accordance with the legal and regulatory framework in effect on the regular audit of the annual and six-moth financial statements and submits a proposal to the Board of Directors.
- Performs an annual assessment of the effectiveness, independence and objectivity of the certified auditor and oversees the periodic rotation of both the certified auditor and his/her key collaborators of the audit firm that carry out the audit.
- Is informed by the certified auditor on the annual mandatory audit schedule before it is implemented, assesses it and ensures that the annual mandatory audit schedule will cover the most significant audit areas, taking into consideration the key business sectors and financial risk of the Company. In addition, the Committee submits proposal on other important issues, whenever deemed necessary.

- Monitors the submission of the reports by the certified auditors for the Company and is informed about them.
- Informs the Board of Directors that the work of the certified auditors, insofar as the scope and the quality are concerned, is correct and adequate.
- Requests from the certified auditor to report in writing (Audit Letter) about any problems and weaknesses that have been located by the Internal Audit System during the audit of the annual financial statements of the Company, as well as any other material observations by submitting relevant suggestions, and is responsible and ensures that all necessary actions are made for submitting the Audit Letter to the Board of Directors.
- Discusses with the certified auditor any material auditing differences that arose from the audit, irrespective of whether they were resolved.
- Informs the Board of Directors about the results of the financial audit and explains through the report submitted by the certified auditor, how the financial audit contributed to the integrity of the financial information and the role of the Committee in the process.
- Submits proposals to the Board of Directors about the special areas where additional audits may be required by the auditors.
- Proposes to the Board of Directors about the periodic assignment, at least once every five years, of assessing the adequacy of the Internal Audit System of the Company to third parties, excluding the regular auditors, who must have the required experience for the task. The auditing firm assuming the work must not undertake more than two consecutive assessments.

Supervision of the Financial Statements

- Monitors the procedure and conduct of the statutory audit of the separate and consolidated financial statements and especially its performance and effectiveness and assists the Board of Directors in ensuring that the financial statements of the Company are reliable and in accordance with accounting standards, tax principles and the law.
- Ensures the existence of an effective process for providing financial information, monitoring, examining and evaluating this process, i.e. the mechanisms and production systems, the flow and dissemination of financial information produced by the organizational units of the Company, taking into consideration other public information (announcements, press releases etc.), compared to the financial information. In this context it submits to the Board of Directors recommendations or proposals to improve this process and ensure its integrity.
- In cases of significant disagreements between management and the certified auditor, it takes all necessary actions and recommendations in order to resolve them.
- Intervenes in order to resolve critical matters that may arise during the audit process, such as a potential difference of opinion between the auditor and those being audited.
- Is informed about the written assurances that the certified auditor requires from management, receives the Management Letter from the certified auditors which it subsequently submits it to the Board of Directors.
- Informs the Board of Directors on matters for which the external auditors express strong reservations.
- Examines the financial statements as to their content, before they are submitted to the Board of Directors for approval, in order to evaluate their completeness and consistency in relation to the information given to it, as well as with the accounting principles applied by the Company, and expresses its opinion to the Board of Directors on the financial statements.

Supervision of the Auditing Mechanisms

- Monitors, examines and assesses the adequacy and effectiveness of the policies, processes and safeguards that comprise the Internal Audit System, ensuring the quality and risk management concerning the financial information of the Company without breaching its independence.

- Reviews the published information as to the Internal Audit System and the main risks and uncertainties in conjunction with financial information.
- In this context, it evaluates the methods used by the Company to locate and monitor risks, deal with the most significant risks through the Internal Audit System and the Internal Audit Division as well as their publication in the published financial statements in the proper manner.
- Informs the Board of Directors on the its findings regarding the adequacy and systematic review of the Company's audit and risk management mechanisms, which ensure the effectiveness, adequacy, as well as the saving of resources in terms of the proper functioning of the Company and its subsidiaries as well as the Company's compliance with the laws and regulations concerning the integrity of the financial information process, and submits proposals for improvement if deemed necessary.
- Participates in the process of monitoring the implementation of the audit recommendations for improvements in control mechanisms and in the production process, in order to examine the implementation progress of the recommendations and any problems that arise in the relevant action plans.
- Submits proposals to the Board of Directors for dealing with weaknesses that have been identified, and follows-up on the implementation of measures decided.
- Is informed by the Director of Internal Audit on all important findings, for which management has decided to assume the risk of non-compliance, either due to the cost involved, or due to specific conditions. In these instances, it informs the Board of Directors, which is responsible for taking decisions on those corporate matters.
- Submits to the Board of Directors reports for cases that have been reported to it of conflicts of interest in the transactions of the Company with related parties.
- Supports the Board of Directors in obtaining sufficient information in order to take decisions on matters of related party transactions.
- Ensures the existence of procedures in accordance with which Company staff may, confidentially, express its concerns about potential breaches of the law and irregularities in the gathering, processing and publishing of financial information, including complaints concerning matters of accounting, auditing, or concerning the operation of internal audit or other matters that concern the operation of the business.
- Assigns an internal audit on any activity of the Company and its subsidiaries that it deems necessary.
- Directs both the certified as well as the internal auditors to audit projects, for which there is suspicion of fraud.
- Determines the terms for selecting and assigning to certified auditors, excluding the regular auditors, to assess the adequacy of the Internal Audit System and submits a proposal to the Board of Directors for the selection and the remuneration of the selected auditing firms to assess the Internal Audit System of the Company in accordance with the legal and regulatory framework. The assignment of such an assessment project must be made periodically and at least once every five years.

The Audit Committee meets a minimum of four times a year, i.e. every quarter, or more frequently if necessary, at the invitation of the Chairman. In particular, the Audit Committee has the express right to convene as often as it deems necessary in order to carry out its duties.

At the meetings of the Committee, besides the members, other persons may participate – without the right to vote - such as the Chief Executive Officer, chief officers, the Director of Financial Management, external auditors etc. All executives of the Company and the Group are obliged to present themselves to the Committee if invited.

At least two (2) times per year, the Audit Committee must meet with the external auditors without the presence of management.

The Committee has a quorum and is legally in session if the majority of its members are present, either in person or through a written authorization to another member of the Committee. The participation of a member of the Committee at a meeting through a video or audio link is to be considered valid for this purpose. In order for the Committee to take a valid decision, a majority of members present is required. If a decision on any matter of the Committee is not unanimous, the views of the minority shall be recorded in the minutes.

The Audit Committee reports to the Board of Directors on its activity at least once every quarter, either through minutes, or through written reports, and submits to the Board of Directors an annual findings report for its General Meeting.

As part of discharging its duties in 2019, the Audit Committee held 16 meetings. The participation of the Chairman and the members of the Audit Committee in the meetings held in fiscal year 2019 are shown in the following table:

Name	Meetings held during the term of office	Number of meetings – present via proxy	Number of meetings - presence in person
Alexandros Antonopoulos	16		16
Adamantini Lazari	16	-	16
Giorgos Doukidis	10	-	9
Nikolaos Milonas (*)	6	-	6

(*) The former Chairman of the Committee Mr. Nikolaos Milonas departed the Board of Directors on 30.05.2019, and in accordance with the decision of the Annual General Meeting on 30.05.2019 Mr. Giorgos Doukidis was elected as new member of the Committee, and Mr. Alexandros Antonopoulos was appointed as Chairman of the Committee.

The Committee during the meetings above, dealt with all matters under its competence, as determined by the relevant provisions, with the most important ones being to:

- Inform the Board of Directors on the result of the statutory audit, propose to the Board of Directors the approval of the separate and consolidated annual financial statements before publication based on the accounting practices followed,
- Monitor and assess the adequacy and effectiveness of the policies, processes and safeguards of the Internal Audit System, quality assurance and risk management concerning the provision of financial information, without breaching its independence,
- Submit recommendation for the appointment by the General Meeting of certified auditors, including their fee and terms of hire, without influence from third parties,
- Examine and assess the audit reports of the Internal Audit Division, as well as management comments,
- Monitor progress on Internal Audit findings, as well as findings of the information systems audit,
- Approve the annual report and activities of the Internal Audit Division for fiscal year 2019,
- Be informed on the annual audit program of the Internal Audit Division,
- Approve the budget of the Internal Audit Division

The Audit Committee provided regular reports to the Board of Directors on the manner with which it carried out its duties. In addition, in 2019, the Audit Committee had two (2) meetings with the certified auditors of the Company, without the presence of management of the Company. During the abovementioned meetings, but also during its meetings with the presence of the relevant executives of the Company, the Audit Committee ascertained the effectiveness of the audit procedure.

Nomination and Compensation Committee:

On 31.12.2019 and the date of publication of the Annual Financial Report, the composition of the Nomination and Compensation Committee, following the substitution, on 30.05.2019, of Mr. Alexandros Antonopoulos by Mrs. Polyxeni Kazoli, is as follows:

Chairwoman	Polyxeni Kazoli, independent member of the BoD
Members	George Handjinicolaou, non-executive Chairman of the BoD
	Sofia Kounenaki – Efraimoglou, independent member of the BoD

The Nomination and Compensation Committee is composed of three non-executive members of the Board of Directors, of which at least two are independent members. The duties of Chairpersons are assigned by the Board of Directors to one of the independent non-executive members of the Committee.

The members of the Committee must collectively possess sufficient knowledge, expertise and experience in the business activity of the Company in order to be able to evaluate the appropriate composition of the Board of Directors and to propose candidates to fill vacant positions of the Board of Directors.

The members of the Committee are selected based on their qualifications and experience in matters of corporate governance and should, in any event meet the eligibility criteria, as set by the applicable legal and regulatory framework, while the size and collective trading of the Committee should be appropriate to the business model and functions of the Company.

The Committee must be set up in such a way that it can exercise its competent and independent judgment on remuneration policies and practices in a way that promotes sound and effective risk management without creating incentives to relax the risk standards of the Company.

Participation in the Nomination and Compensation Committee does not exclude the possibility of participating in other Committees of the Company.

The term of office of the members of the Committee is four years (4 years) and may be renewed indefinitely. The members of the Committee are appointed, dismissed and replaced by the Board of Directors. Loss of the status of member of the Board of Directors also entails the loss of the status of member of the Committee.

The main responsibilities of the Committee are to:

- Propose to the Board of Directors person or persons appropriate to succeed the Chairman or the Chief Executive Officer in case of resignation or permanent inability to carry out their duties for any reason during their term of office.
- Locate and propose to the Board of Directors or the General Meeting for approval a list of persons appropriate for election by the General Meeting as members of the Board of Directors of the Company.
- Evaluate the suitability of the structure, size, composition and performance of the Board of Directors and its Committees, and submit proposals to it concerning any required changes.
- Evaluate the combination of knowledge, skills and experience of the members of the Board of Directors individually and as a whole, and submit relevant reports to the Board of Directors
- Evaluate the effectiveness of executive management members during each fiscal year, always in conjunction with the targets of the approved budget and the conditions that are prevalent in the market.
- Design and further development of principles and policy rules concerning the system of remuneration (e.g. Remuneration Policy) of the members of the Board of Directors, including the executive members of the Board of Directors and senior executives in a manner that ensures compliance with the principles of transparency and corporate governance.

The members of the Committee are appointed, removed and replaced by the Board of Directors. Loss of the status of member of the Board of Directors automatically implies the loss of the status of member of the Committee. The Committee meets at the invitation of the Chairman, as many times as it is deemed necessary in order to carry out its mission, but no less than once every calendar year. Each member of the Committee has the right to request, in writing, the convocation of the Committee, in order to discuss specific matters.

The Commission has a quorum and is legally in session if the majority of its members are present, either by physical presence or by written authorization to another member of the Committee. The participation of a member of the Committee in a meeting using visual or acoustic technological means shall be valid for this purpose. In order for the Committee to validly decide, a majority of members present is necessary. If the decision on any matter is not unanimous, the minority views are recorded in the minutes.

The duties of Secretary of the Committee have been assigned to the Secretary of the Board of Directors. The Secretary of the Committee keeps detailed minutes of its meetings. The minutes of the meetings are signed by all members present or represented.

Besides its members, other persons may be invited to the meetings of the Commission, without the right to vote, if deemed necessary, such as any member of the BoD, the Chief Executive Officer, the Chief Officers, the Director of Human Resources, executives or advisors of the Company etc. When executive members of the Company or subsidiary of the Group are invited, the Committee informs the Chief Executive Officer of the Company. All executives of the Company and the Group are required to appear before the Committee when invited.

The presence, participation and voting of a member of the Committee when discussing a matter that concerns it directly and personally, or has a conflict of interest, is not allowed. The above prohibition does not apply to decisions concerning the determination of policies, programs, terms or criteria for benefits or remuneration or other matters that have general application.

The Committee has the right to invite to its meetings any and all employees, executives or consultants of the Group which it deems necessary or useful.

The Committee is assisted in carrying out its work by the units of the Company and is allowed to hire outside consultants and to determine the terms of engagement with them; these expenses will be borne by management's budget.

The Committee reexamines its rules of operation and either adds to or revises them with those amendments it deems useful.

In carrying out its duties for 2019, the Committee met four (4) times with all members being present, in order to submit proposals to the Board of Directors as part of its responsibilities, on the following matters:

- It conducted the annual evaluation of the Board of Directors and presented the results to the Board of Directors.
- It submitted a recommendation to the Board of Directors and the General Meeting for the election of a new Board of Directors and the appointment of its independent members, in accordance with Law 3016/2002, after reviewing and verifying compliance with the independence criteria, taking into consideration the results and recommendations of the self-assessment of the Board of Directors and the assessment that was carried out by the independent external consultant.
- Submitted a recommendation to the Board of Directors and the General Meeting for the election of a new Audit Committee, in accordance with article 44 of Law 4449/2017, after reviewing and verifying compliance with the required criteria.
- Submitted a recommendation to the Board of Directors and the General Meeting to determine the remuneration of non-executive members of the Board of Directors for their participation in the meetings of the Board of Directors and its Committees.
- It formulated and submitted proposal to the Board of Directors and the General Meeting for approval of the Remuneration Policy in accordance with article 110 of Law 4548/2018.
- Met in order to submit proposals on salary and other remuneration issues for senior executives in the context of checking their alignment with the approved Remuneration Policy.
- It decided to initiate the process of providing consulting services to the Company by a specialized consulting company in order to prepare the Remuneration Report in accordance with article 112 of Law 4548/2018.
- Submitted to the Board of Directors and to the General Meeting of the subsidiary "Hellenic Central Securities Depository" proposals on the election of a New Board of Directors and an Audit Committee, in order for the subsidiary to comply with Regulation (EU) 909/2014 of the European Parliament and the Council on 23 July 2014 on improving securities settlement in the European Union and the central securities depositories and on the modification of directives 98/26/EU and 2014/65/EU and Regulation EU 236/2012 (CSDR) for the purpose of submitting a dossier from the subsidiary to obtain the relevant license to operate by the competent supervisory authority, in order to meet the requirements and demands of CSDR on the composition of the BoD and its advisory committees. Since the establishment, on 12.8.2019, of a separate Nomination and Compensation Committee of the subsidiary, the Committee of the Company does not exercise its responsibilities for the subsidiary.

Strategic Planning Committee

On 31.12.2019 and the date of publication of the Annual Financial Report, the composition of the Strategic Planning Committee was as follows:

Chairman	George Handjinikolaou, Chairman of the BoD, non-executive member
Members	Socrates Lazaridis, Chief Executive Officer
	Spyridoula Papagiannidou, independent non-executive member of the BoD
	Konstantinos Vassiliou, non-executive member of the BoD
	Alexios Pilavios, non-executive member of the BoD
	Ioannis Emiris, non-executive member of the BoD
	Giorgos Doukidis, independent non-executive member of the BoD
	Nikolaos Chryssochoidis, non-executive member of the BoD

The Strategic Planning Committee consists of at least three (3) members appointed by the Board of Directors. The Chief Executive Officer is an ex-officio member of the Committee. The Chairman of the Committee is the Chairman of the Board of Directors of the Company and, when the Chairman is absent or unable to, the Chief Executive Officer. In addition to the Chairman and the Chief Executive Officer, the Committee is composed of members of the Board of Directors and senior executives. Its members are selected on the basis of their ability and experience, and their term of office is three years which is indefinitely renewable.

The purpose of the Strategic Planning Committee is to support the executive members of the BoD in formulating, developing and implementing the strategic options of the Group, assist the Board of Directors in decision-making on all matters related to the strategy of the Group, and to regularly oversee the implementation of the strategy by the management of the Group. The Strategic Planning Committee cooperates with other Committees, where appropriate as part of its responsibilities.

In order to fulfil its purpose, the Committee is tasked with the following responsibilities:

- Monitoring on a regular basis and analyzing matters of strategic importance of the Company, and, when required, submitting a recommendation to the BoD of the Company. In addition, it delineates the axes of the Business Plan and monitors and proposes on any matter of strategic importance to the Group.
- Ensure that the Group develops a well-defined medium-term strategy in accordance with the instructions of the Board of Directors.
- Examine and review the key objectives and major business initiatives before submitting them for approval to the Board of Directors.
- Examine and, if necessary, submit proposals to the Board of Directors on all matters of strategic importance to the Group raised by the Chairman or the Chief Executive Officer.

The responsibilities of the Committee concern both the Company as well as the subsidiaries of the Group.

The Committee may delegate specific tasks and responsibilities that fall within its competence and duties, to one or more of its individual members to the extent permissible by applicable law, the Articles of Association and the Internal Rulebook of Operation of the Company, and there is no conflict of interest. The Committee meets at least three times per year, or ad hoc when necessary at a time, place and with the daily agenda specified by its Chairman in consultation with the Chief Executive Officer and announced to members. The items of the daily agenda and related documents are made available to each member at least three business days before the meeting. These documents may also be e-mailed.

The Committee may, by decision of its Chairman, meet by telephone or teleconference. The Chairman may also request that the Committee take decisions on certain documents by an exchange of emails, faxes or letters.

The Committee is in quorum and validly meets when one half plus one of its members are present. The Chairman or the Chief Executive Officer must be one of the participating members. The participation of a member of the Committee in a meeting through a visual or audio connection shall be considered valid for this purpose. Valid decision making by the Committee requires a simple majority of members present. In the event of a tie, the vote of the Chairman of the Committee shall take precedence.

Each member of the Committee has the right to submit items for discussion within its competence. These items are taken into consideration by the Chairman, who includes them in the daily agenda of the next regular or extraordinary meeting of the Committee.

The Committee may invite to its meetings and member of the Board of Directors, senior executive of the Company or subsidiary of the Group or any other person that it considers appropriate to assist it in carrying out its duties.

The Committee regularly reports to the BoD. The Chairman briefly informs the BoD on the work of the Committee after each meeting. At the first meeting of each calendar year, the Committee decides on the annual plan of its time and matters of competence.

During the 2nd half of 2019 when the Committee was re-activated, it held three (3) meetings in the presence of all its members and in the context of its work:

- Reviewed individual segments of the activities of the Group related with strategic planning, by conducting meeting with the relevant divisions of the Group to obtain information.
- Reviewed and prioritized on-going projects related to the development of the strategy of the Company and the Group.
- It was updated and discussed in detail the increase of IPOs in Greece.
- It was updated and discussed in detail the trading services provided by the Group, turnover distribution, market shares and their historical development in the stock market.
- It was updated and discussed in detail the new trends to use venues specified by MiFID II / MiFIR.
- It was updated and discussed the post-trading environment which includes clearing and settlement. In this context, the project of strategic adjustment of the Hellenic Central Securities Depository (ATHEXCSD) to Regulation (EU) 909/2014 (CSDR) on improving securities settlement in the European Union and central securities depositories and Law 4569/2018 was presented in detail; ATHEXCSD services as DSS [Dematerialized Securities System] under CSDR, a brief description of the project, developments and the timetable for implementation of the key adaptation areas and the opportunities that arise were presented.

Risk Committee

The Group, as organizer of the capital market, has developed a comprehensive framework for managing the risks to which it is exposed, ensuring its sustainability and development, as well as contributing to the stability and security of the capital market.

Athens Exchange Clearing House (ATHEXClear) belongs to the Group; it operates as a Central Counterparty (CCP) in the clearing of cash and derivatives products, and as such is obliged to satisfy strict requirements concerning risk management, while similarly strict requirements on risk management are provided by the regulatory framework governing the operation of the Central Securities Depository (ATHEXCSD), which aims to align itself with the relevant provisions within 2020.

In particular, the internal and external legal and regulatory framework which ATHEXClear is directly subject to and the Group indirectly with regards to their obligations to monitor and manage risk, includes the Regulation of Clearing of Transferable Securities Transactions in Book Entry Form, the Regulation on the Clearing of Transactions on Derivatives, and Regulation (EU) 648/2012 of the European Parliament and Council of July 4th 2012 for OTC derivatives, central counterparties, and trade repositories, known as EMIR (European Market Infrastructure Regulation). At the same time, ATHEXCSD will be included within 2020 in the provisions for risk management for Central Securities Depositories that have been licensed to operate in accordance with the Central Securities Depositories Regulation – CSDR.

In light of these regulatory requirements, and with the aim of coordinating risk management actions across the companies, the Group follows a comprehensive risk management plan in order to continue providing high quality services.

By decision of the Board of Directors on 30.05.2019, an independent Risk Committee was set up at the Company level, and on 31.12.2019 and the date of publication of the Annual Financial Report, its composition is as follows:

Chairman	Giorgos Doukidis, independent non-executive member of the BoD
Members	Spyridoula Papagiannidou, independent non-executive member of the BoD
	Ioannis Kyriakopoulos, non-executive member of the BoD

The Risk Committee consists of at least three (3) non-executive members of the BOD with at least 1/3 of those being independent, having sufficient knowledge in the field in which the Company operates as well as sufficient knowledge, abilities and specialization in order to comprehend and monitor the strategy of the Company for assuming risk.

The Chairperson of the Committee is appointed by the BoD and must be an independent non-executive member who must possess significant experience in the operation of the capital market, risk management, as well as familiarity with the local and international regulatory framework. The Chairperson of the BoD may be a member of the Committee, but he/she cannot be its Chairperson. In addition, the Chairperson of the Risk Committee cannot be Chairperson of the Audit Committee of the Company at the same time.

The Risk Committee operates in a committee supporting the BoD in matters of risk management and is responsible for exercising the duties determined in its Rulebook of operation, in order to be able to assist, advise and support the BoD in its work concerning:

- Developing an appropriate strategy for risk taking and defining acceptable risk taking ceilings, as well as overseeing their implementation,
- Establishing principles and rules governing risk management with regard to their identification, forecast, measurement, monitoring, control and response.
- Developing an internal risk management system and integrating appropriate risk management policies into business decision making,
- Compliance of the Company, through appropriate measures and procedures, with the institutional framework for the risk management function,
- Ensuring and monitoring the independence, adequacy and effectiveness of the Risk & Compliance Unit.

The Board of Directors reserves the right to revise and delegate, as defined by the applicable legal / regulatory framework, further duties to the Risk Committee, which depending on the circumstances, must be incorporate in its Rulebook.

Since its start of operation during the 2nd half of 2019, the Risk Committee had one regular meeting in the presence of all its members during which they discussed issues concerning the coordination of its work with new newly established Risk Management Unit. At the same time, coordination and information meetings were held during which the Committee dealt with the following issues:

- Provide guidance to the newly established Risk & Compliance Unit for the development of a risk management framework, the operational risk management framework and their implementation process, with uniformity in their application across all of the companies of the Group and with the shortest possible deviation from ATHEXClear's existing framework.
- Coordinate the development of synergies on risk management issues between the companies of the Group.
- Initial mapping of risks at the Group level and defining the appropriate way of dealing with them.
- Map the risk management metrics and indicators available to the Group.
- The immediate improvement actions required on existing risk management functions.
- Provide guidance to the Risk Management Unit on the collection and mapping of all the activities of the Group from different unites that directly or indirectly document risk assessment data or constitute specific operational risk management, and, based on these recognized risks, design improvement actions at the level of monitoring recognized risks, in order for them to be integrated in the systemic management and control framework, which will be implemented within the current year.
- Initiate the process of providing the Group with consulting services by specialized consulting company that has international activity and stature, with the aim of integrating risk management and effective

regulatory compliance into the actions and operations of all business units, while ensuring communication and control of top management, i.e. of the Boards of Directors of the companies and their respective risk committees, on the actual risks assumed by the Group against the risk appetite that it will decide.

- Drafting the Committee's Rulebook of Operation.

Stock Markets Steering Committee

The Committee was set up in accordance with §7.1.3 of the Athens Exchange Rulebook, to cover the operational needs of the Organized Markets that have been set up and are in operation in accordance with the Rulebook, as well as overall compliance with the Rulebook.

It has a minimum of nine (9) regular members and a maximum of thirteen (13), of which 3 are chosen among executives of the Company and of the companies of the Group, with those members considered executive, and the remainder chosen among persons that possess guarantees of authority and specialization in capital markets in Greece or abroad. Besides the above members, the Committee may also have alternate members. The members of the Committee, regular or alternate, are appointed by the Board of Directors.

The Members of the Committee are checked for eligibility in accordance with the provisions of §4 article 42 of law 3606/2007. The term of office of Committee members ends on 30 June of each calendar year, and may be renewed. In each case, the Committee meets and legally decides until the term of office of its members is renewed, or new members are appointed.

During its 1st meeting, after appointing its Members, is formed as a body electing a Chairman, Vice Chairman and appointing a Secretary, which may or may not be a member of the Committee. The Chairman must be chosen from among executive members. The Committee drafts a Rulebook of Operation in which its responsibilities are specified, conflict of interest policies described; the convocation, the quorum and decision making are described; how members forfeit their seats, are absent or unable to attend, how members are replaced, how minutes are kept, as well as other procedural details of its operation are defined. The abovementioned Rulebook of Operation is disclosed to the Board of Directors as well as to the Hellenic Capital Market Commission.

The responsibility of the Committee is mainly to take decisions on matters concerning market access, trading in the Markets, listing of financial instruments and classification in Segments, notification obligations of listed companies, imposition of sanctions in accordance with Section (6) of the Athens Exchange Rulebook, as well as other matters concerning the operation of the markets and application of the Athens Exchange Rulebook, as specified in the Rulebook of operation of the Committee. Furthermore, the Committee is responsible for amending the Rulebook of the Athens Exchange and to issue decisions in implementation of the Rulebook, in accordance with §7.1.3.

The Committee may form committees and delegate to them, as well as to other departments, responsibilities regarding the implementation of the provisions of the Rulebook of the Athens Exchange. No responsibilities are delegated which concern amendments to the Rulebook of the Athens Exchange or the issuance of decisions based on the Rulebook in accordance with §7.1.3 of the Rulebook of the Athens Exchange.

Wherever in the provisions of the Athens Exchange Rulebook there is mention of a Decision or other action of the Company, this decision is in principle taken by the Stock Markets Steering Committee, even if not expressly mentioned. The Steering Committee informs the Board of Directors quarterly on the events of the previous quarter.

The composition of the Committee on 31.12.2019 was the following:

Chairman	Socrates Lazaridis, Chief Executive Officer
Vice Chairman	Nikolaos Porfyris, Chief Post-trading & International Business Development Officer
Members	Kimon Volikas, former President of the Hellenic Fund and Asset Management Association
	Apostolos Gkoutzinis, Partner at Milbank
	Panagiotis Drakos, President of the Union of Listed Companies

Andre Kuusvek, Director for Local Currency and Capital Markets Development at the European Bank for Reconstruction and Development (EBRD)

Nikolaos Pimplis, Legal counsel to management, executive member of the Committee

Georgios Politis, Chief Executive Officer of Euroxx Securities

Athanasios Savvakis, President of the Federation of Industries of Northern Greece

George Serafeim, Associate Professor of Business Administration at Harvard Business School

Dionysios Christopoulos, former Deputy Director, Banking Supervision Department at the Bank of Greece

In 2019 the Committee met four (4) times as part of the framework of responsibilities mentioned above.

In addition, the Stock Markets Steering Committee set up the following sub-Committees, in accordance with §7.1.3 (5) of the Athens Exchange Rulebook, article 1 §10 of the Alternative Market Rulebook and the decision of the BoD of ATHEX of 31.07.2017:

i. Listings & Market Operation Committee

The Listings & Market Operation Sub-Committee consists of nine members, consisting of the three executive members of the Steering Committee (its Chairperson, Vice-Chairperson and Executive Member) and six non-executive members who are proposed by its Chairperson.

The responsibilities of the Listings & Market Operation Committee are, primarily:

4. Deciding on the approval of:
    - New Listings / Admission to trading of shares, bonds, ETFs, warrants, SFPs, Derivatives, stock repos and any other financial instrument.
    - Admission/re-admission to Markets and Trading Categories
    - Deletion/suspension of a financial instrument
    - Resumed trading of shares suspended >6 months
    - Prospectus for the listing/admission of transferable securities made available through public offering < €5 million
    - Listing/modification of a financial instrument through corporate actions, especially listing of new shares from capital increase of a listed company through cash contributions and Bond listings.
5. Modification of and/or change to the characteristics of existing financial instruments
6. Any other instance of listing/admission to trading which is stipulated by an amendment to the Rules of Procedure of the Steering Committee.
7. Verify adherence to the ATHEX Rulebook or the Alternative Market Operating Rules, taking measures, imposing penalties, in accordance with the ATHEX Rulebook and the Alternative Market Operating Rules.
8. Forced cancellation of transactions in accordance with article 29 of Law 2579/1998, a responsibility assigned by decision dated 31.7.2017 of the Board of Directors.
9. Forced cancellation of transactions and orders in accordance with the ATHEX Rulebook and the Alternative Market Operating Rules, a responsibility assigned by decision dated 31.7.2017 of the Board of Directors.
10. Suspension of trading for more than one day
11. Setting Market Holidays
12. Acceptance of Alternative Market Advisors
13. Approval, change, withdrawal of a Member
14. Merger/Absorption of a Member

15. Approval of, withdrawal from, release from, change to obligations relating to Market Making in Financial Instruments
16. Introduction, amendment, abolition of rules on Market Making in Securities
17. Annual audit to verify Member compliance
18. Any other decision or action relating to or in connection with the above which arises from the ATHEX Rulebook or the Alternative Market Operating Rules.

Committee composition:

Chairman	Socrates Lazaridis, Chief Executive Officer
Members	Nikolaos Porfyris, Chief Post-trading & International Business Development Officer
	Nikolaos Pimplis, Management Legal Counsel
	Kimon Volikas, former President, Hellenic Fund & Asset Management Association
	Apostolos Gkoutzinis, Partner, Milbank
	Panagiotis Drakos, President, Union of Listed Companies
	Georgios Politis, Chief Executive Officer of Euroxx Securities
	Athanasios Savvakis, Chairman of the Federation of Industry of Northern Greece
	Dionysios Christopoulos, former Deputy Director, Banking Supervision Department, Bank of Greece

In 2019 the Committee met thirty-nine (39) times as part of the framework of responsibilities mentioned above.

ii. Corporate Actions Committee

The Corporate Actions Sub-Committee consists of five members and specifically the three executive members of the Steering Committee (its Chairperson, Vice-Chairperson and Executive Member) and the Chief Executive Officers of the Athens Exchange Group.

The Corporate Actions Committee has the following responsibilities:

a) Verification of fulfillment of requirements for indirect listings

b) Approval of listing, in accordance with the Rulebooks, of new transferable securities as a result of the following corporate actions:

   i. Listing of bonus shares due to a share capital increase (capitalization of reserves or undistributed profits)
   ii. Listing of bonus shares (split, reverse split)
   iii. Listing of shares from a share capital increase due to merger
   iv. Listing of shares from stock options
   v. Listing of shares from conversion of bonds
   vi. Listing of shares due to conversion of shares of a different category
   vii. Listing of shares from a reinvestment program
   viii. Listing of Greek Government Securities or Bank Bonds
   ix. Listing of preference rights

c) Notification in accordance with the Rulebooks regarding the following corporate actions:

   i. Change in the nominal value of shares due to capital return, offsetting of losses, capitalization of reserves
   ii. Change of corporate name or trade name

iii. Cancellation of shares and share capital reduction

iv. Cancellation of bonds

v. Extraordinary transfer to the Low Free Float segment

vi. Any other decision or action relating to or in connection with the above which arises from the ATHEX Rulebook.

Committee composition:

Chairman	Socrates Lazaridis, Chairman of the Steering Committee
Members	Nikolaos Porfyris, Vice Chairman of the Steering Committee
	Nikolaos Pimplis, executive member of the Steering Committee
	Dimitris Karaiskakis, Chief Technology Officer
	Michail Andreadis, Chief Markets Operation & Business Development Officer (*)
	Nick Koskoletos, Chief Finance Officer (*)

(*) By decision of the Stock Markets Steering Committee on 10.2.2020 Mr. Vassilis Govaris was replaced by Mr. Nick Koskoletos, Chief Finance Officer, and Mr. Michail Andreadis, Chief Markets Operation & Business Development Officer, was added.

In 2019 the Committee held thirty-six (36) meetings as part of its abovementioned responsibilities.

Xnet Steering Committee

The responsibility of the Committee is to regulate any matter and necessary detail that concerns the application of the provisions of the Regulatory Framework with regards to the operation of the Xnet services, especially concerning the Xnet Network, the examination of applications and the participation of Members and Clearing Members, the risk management procedures that are applied and the determination of all types of parameters, methodologies and processes concerning this management, the procedures for settling Xnet trades and settlement, including the determination of cash settlement Entities and the particular procedures that are carried out by the Hellenic Central Securities Depository for settlement, the handling of defaults as well as the taking of related measures.

Committee composition:

Chairman	Michail Andreadis, Chief Markets Operation & Business Development Officer (*)
Members	Nikos Porfyris, Chief Post-trading & International Business Development Officer
	Konstantinos Karanassios, Deputy Chief Post Trading Officer
	Anastasios Zafeiropoulos, Head of the Risk Management Unit (*)
	Vaitsa Koudona, Head of the Clearing Unit (*)
	Dimitris Gardelis, Director of IT Development

(*) By decision of the Stock Markets Steering Committee on 10.2.2020 Messrs. Dimitris Karaiskakis and Andreas Daskalakis were replaced, and the following were added: Mr. Michail Andreadis as new Chairman of the Committee, Mr. Anastasios Zafeiropoulos and Mrs. Vaitsa Koudona.

In 2019 the Committee held ten (10) meetings as part of its abovementioned responsibilities.

ATHEX Index Oversight Committee

The establishment of an Index Oversight Committee is provided for in Regulation (EU) 2016/2011 of the European Parliament and Council of 8 June 2016, concerning indices used as benchmarks in financial instruments and financial contracts, or to measure the returns of investment funds (Benchmark Regulation or BMR) and Commission Delegated Regulation (EU) 2018/1637.

The Index Oversight Committee is responsible for ensuring compliance with the BMR Regulation and to oversee the operation of the indices of the Athens Exchange. It has supervisory function regarding the provision of indices – including benchmarks – and the actions of the relevant index management units of the Athens Exchange and decides on any matter proposed or advised by the Index Management Advisory Committees.

The purpose of the Committee is to oversee index methodology and the control framework of the Athens Exchange on the provision of indices, and to review and assess the index provision processes.

The Committee is appointed by the Board of Directors of the Company and consists of three (3) members which may have other responsibilities at the Company, but there should not be incompatibility of their duties as members of the Committee, in the sense of having decisive responsibilities in managing indices or access to privileged information. Company staff members that are directly involved in the provision of indices, or in service activities of index users and other market participants. Members of staff that are directly involved in providing indices may be Committee members, without the right to vote. Members of the Board of Directors cannot be members or observers at the Committee, but may be invited to be present at Committee meetings, without the right to vote.

Committee composition

Chairman	Nikos Koskoletos, Chief Financial Officer
Members	Nikos Porfyris, Chief Post-trading & International Business Development Officer
	Andreas Daskalakis, New Markets & International Business Development Division

The members of the Committee above have collectively sufficient expertise in the management of financial indices as well as in the implementation and monitoring of supervisory and control mechanisms, while their duties with the Committee do not conflict with their current responsibilities.

The Committee was formed on 16.12.2019 and did not meet during 2019 in the context of its powers mentioned above.

Policy of equal opportunity and diversity applied to managerial, administrative and supervisory bodies of the Company

The Athens Exchange Group complies at all levels with the existing regulatory framework for the application of the principle of equal treatment, and is committed to providing equal opportunity to all employees and candidates, at all hierarchy levels, and to operate under fair and legal human resource management processes, independent of gender, age, origin, handicap, sexual orientation, religion, participation in organizations, political beliefs, or other characteristics protected by the law. All decisions concerning employment, including but not limited to those that concern hiring, promotion, training, pay and benefits, are based on individual qualifications, performance and behavior, and every effort is made that they be free of any unlawful discrimination.

The scope of the activities of the Group requires the contribution and combination of abilities, skills, professional-cognitive experiences and personalities of many people with different characteristics at all levels, and as such diversity at the Group is applied in practice and not just in theory.

Placements in administrative, managerial and supervisory bodies and senior positions of responsibility are based on merit and candidates are objectively examined, taking into consideration the advantages of diversification that include, but are not limited to gender, age, educational background, professional experience, individual abilities, knowledge and work experience.

In particular, for candidate appointments to the BoD of the Company, the priority for the Nomination and Compensation Committee is to ensure that the Board of Directors continues to have strong leadership and the required combination of abilities in order to effectively implement the business strategy of the Group.

In addition, it is ensured that members possess strong values, guarantees of honesty and experience, in order to achieve the sound and prudent management of the Company. Persons recommended for election are those that, as a whole hold a variety of views, knowledge, judgment and professional experience, a commitment to fully participate in the Board of Directors and its Committees, traits required to properly discharge their duties and to maintain at the Board of Directors a balance of qualifications that meet corporate goals.

Furthermore, the structure, the specific activities and the environment in which the Group operates, the complexity of its operations and its special institutional role and character, the need to have a synthesis and balance between old and new members, gender balance, individual abilities and proven experience in financial matters, accounting, auditing, risk management and capital management, matters of new technologies and the new digital age, as well as a basic understanding of the legal and regulatory aspects that support the demands of the Group, are all taken into consideration.

On the Board of Directors of the Company, women account for 31% of non-executive members, and in the Committees of the Board of Directors the participation of women is 37%, on average. The age of the members of the Board of Directors ranges from 46 to 67, with the average age being 57 years.

All members of the Board of Directors are holders of University level academic degrees by Greek and/or foreign institutions, and most are also holders of post-graduate and/or doctorate degrees, with studies in various subjects, mainly finance and business administration, as well as political science, technology, information technology, philosophy, psychology.

Finally, all members have distinguished work careers and professional experience, with a long involvement in business administration in Groups and companies of the banking and financial sector, business administration, auditing, fund and risk management, financial management and corporate governance.

At the top management levels, all middle and senior executives have university level academic qualifications, with studies in various subjects – business administration, computer science and information technology, economics, legal, accounting, mathematics, political science and public administration – and have multi-year experience in their respective fields. Most middle and senior executives have risen through the ranks at the Group, with a smaller percentage coming from the market.

In middle and senior management levels, 28% of the posts are held by women, while in senior management 14.2% of executives are women. The ages of middle and senior executives range from 42 to 64 (with an average of 52 years), and, for senior executives ages range from 54 to 61 (with an average of 56 years) respectively.

In order to achieve sustainable and balanced development, and with the core principle that for managerial, administrative and supervisory bodies and positions of responsibility, objective qualifications and abilities are the material criteria, and that no automatic advancement takes place, the Group considers that the diversity applied, including gender balance, which is not approached on the basis of mandatory quotas, but based on objectivity and not an end in itself, is a key element for achieving its strategic objectives and maintaining its development, adds value, increases the qualifications pool, the experience and view that the Group possesses for its senior positions, as well as its competitiveness, productivity and innovation, so that in a structurally changing environment, it effectively and reliably improves the provision of core market operation services and adds value both to the capital raising procedures for businesses and to the fund management mechanisms for investors.

Matters of internal audit and risk management of the Company in relation to the reporting process

The primary concern of the Company is the development and the constant improvement and upgrade of the Internal Audit System, which comprises all of the recorded audit mechanisms and processes that cover the whole range of daily operations and procedures of the Company.

In particular, with regard to the Company's financial operations, a system of safeguards is in place that aims to prevent and/ or detect material errors in time in order to ensure the reliability of the financial statements, the effectiveness and efficiency of operations and compliance with the rules and regulations. Based on specific significance criteria (quantitative and qualitative), important accounts are identified, procedures are recorded, responsibilities and policies are assigned and control points are designed which are being implemented on an ongoing basis by management and staff.

The Board of Directors has the ultimate responsibility to monitor and assess the effectiveness and sufficiency of the Internal Audit System.

Responsible for monitoring compliance with the Internal Audit System are: a) the Audit Committee and b) the Internal Audit Division.

The **Audit Committee** of the Company has been set up by decision of the Board of Directors of the Company and operates based on the Standards for the Professional Application of Internal Audit of the Institute of Internal

Auditors, decision 5/204/14.11.2000 of the Hellenic Capital Market Commission, Law 3016/2002 on corporate governance, and Law 4449/2017.

The main purpose of the Audit Committee is to assist the Board of Directors in the supervision of the quality, adequacy and effectiveness of the internal audit and risk management system, as well as the quality of the work performance of the Company.

The **Internal Audit Division** operates in the manner prescribed by the Code of Conduct and the International Professional Practices Framework (IPPF) of the Institute of Internal Auditors (IIA), decision 5/204/14.11.2000 of the Hellenic Capital Market Commission and Law 3016/2002 on corporate governance. The Internal Audit Division reports to the Board of Directors, through the Audit Committee which supervises it.

The main responsibility of the Internal Audit Division is to express an opinion on the compliance or non-compliance of the internal processes of each audited area, as well as to apply the safeguards that have been adopted by Management, in order to prevent and avoid risk.

In addition, through the **Regulatory Compliance Unit** of the Group and the Regulatory Compliance Unit of Athens Exchange Clearing House (ATHEXClear), which operate independently of other departments of the Group, with clear and discrete lines of reporting from other Group activities, compliance is ensured with the letter and more importantly the spirit of the law, legal and regulatory rules and principles, codes of conduct and best practices in the markets in each of the countries where the Group and ATHEXClear are active, in order to minimize the risk of regulatory or supervisory sanctions, financial or reputation loss which the Group or ATHEXClear may suffer as a result of failure to comply with any rule.

Furthermore, a key concern of the Group is the management of risk arising from its business activities.

The Group, as organizer of the capital market, has developed a comprehensive framework for managing the risks to which it is exposed, ensuring its sustainability and development, as well as contributing to the stability and security of the capital market.

Athens Exchange Clearing House (ATHEXClear) belongs to the Group; it operates as a Central Counterparty (CCP) in the clearing of cash and derivatives products, and as such is obliged to satisfy strict requirements concerning risk management.

In particular, the internal and external legal and regulatory framework which ATHEXClear is directly subject to and the Group indirectly with regards to their obligations to monitor and manage risk, includes the Regulation of Clearing of Transferable Securities Transactions in Book Entry Form, the Regulation on the Clearing of Transactions on Derivatives, and Regulation (EU) 648/2012 of the European Parliament and Council of July 4th 2012 for OTC derivatives, central counterparties, and trade repositories, known as EMIR (European Market Infrastructure Regulation).

In light of these regulatory requirements, the Group applies a comprehensive plan for risk management in order to continue to provide high quality services.

Risk Strategy and Risk Management

The risk strategy of the Group is aligned with its business strategy to provide the appropriate infrastructure for the reliable, secure and continuous operation of the capital market. In accordance with the strategy of the Group, the risk appetite level is set in order to correspond with the capital adequacy of the companies of the Group, satisfy the needs of the market, limit costs for participants, maximize the exploitation of business opportunities but also ensure market security and compliance with regulatory requirements.

Organizational structure

Besides the comprehensive measures for ensuring the smooth operation of the systems of the Group, each organizational unit of the Group is responsible for monitoring and managing potential risks in order to react quickly and effectively in case risk events arise.

Continuing the efforts of recent years, in 2019 efforts were made to strengthen the risk management function for the whole Group, in order for ATHEXClear to remain aligned with the EMIR regulation and to prepare ATHEXCSD for CSDR standards, and at the same time for the parent company ATHEX to follow international good practices.

In particular, for each company of the Group separately, the organizational structure that supports risk management includes the following units:

- *Board of Directors*, which has the final responsibility and accountability regarding the risk management function of the company. In particular, the BoD defines, determines and documents the appropriate risk tolerance level and ability of the company to assume risk. In addition, the BoD and senior executives ensure that company policies, procedures and controls are consistent with the risk tolerance level and the ability of the company to assume risk, and examine how the company recognizes, reports, monitors and manages risks.
- *Risk Committee*, which advises the Board of Directors on risk management matters.
- *Investments Committee of ATHEXClear*, which decides on limits and monitors liquidity risk, sets policies and standards for the investment strategy, financing principles, liquidity management, interest rate risk and its management.
- *Risk Management Department of the Risk Management & Clearing Division of ATHEXClear*, which is sufficiently independent from the other functions of the company, and whose main responsibility is the comprehensive approach to the risks that ATHEXClear faces in order to recognize them, calculate them and finally manage them. The Risk Management Department possesses the necessary authority, the necessary resources, expertise and access to all relevant information.
- *Risk & Compliance Unit of the Group*, headed by the Chief Risk Officer of the parent company ATHEX, which is responsible for the efficient and effective operation of the oversight functions of the Group. The staff of the unit cover the institutional roles of Chief Risk Officers (CROs) of ATHEX and ATHEXCSD, as well as the roles of Chief Compliance Officers (CCOs) of all of the companies of the Group, and thus cover all of their responsibilities while working in close collaboration with the audit functions of the Group, and in particular with the Internal Audit Division.
- *Risk Management Coordinating Committee*. The coordinating committee consists of the Chairman of the Risk Committees of the three companies of the Group, which are members of the corresponding Boards of Directors, and the Group Chief Risk Officer. The committee is chaired by the Chairman of the Risk Committee of the parent company, ATHEX. The goal of the committee is to coordinate the three companies in matters of risk strategy, risk appetite and control methods for risk tolerance, in order to multiply the benefits for each company separately, through the group operation of risk management.
- *Chief Risk Officer*, who on risk management matters reports to the Board of Directors through the Chairman of the Risk Committee and applies the risk management framework through the policies and procedures established by the Board of Directors.
- *Organizational Units* which are responsible for identifying and managing risks within their scope and participate in the overall risk management at the Group. In particular, the Risk Management Department of ATHEXClear and the Risk & Compliance Unit, monitor the risk levels of the Group on a continuous basis using the specific and approved risk management methods. The key assumptions, data sources and processes used in measuring and monitoring risk are documented and tested for reliability on a regular basis through the review and audit framework and the validation framework.

Single risk management

The services that the Group provides involve various types and levels of risk, and it is recognized that effective risk management consists of the following:

- *Identifying and assessing risks:* By analyzing the present and future activities of the Group, cases are recognized in which the Group is exposed to risks. The risks recognized are evaluated as to the potential exposure to loss. This includes in general the estimation of both the probability that the loss will occur, as well as the potential effects.
- *Controlling risks:* The arrangements for managing each risk are the key to effective risk management and it is important that they be understood by all personnel. In addition, management is responsible to ensure the proper implementation application of the single risk management and individual policies / frameworks.

- *Risk mitigation:* Management identifies the best method for risk mitigation, taking into consideration costs and benefits. As a general principle, the Group does not take risks that pose the possibility of catastrophic or significant losses. Likewise, insuring against losses that are relatively predictable and without a material impact is avoided. The alternatives for mitigating risk depend on the tolerance level of the Group against various risk types.
- *Monitoring and reporting risks:* The Group possesses a comprehensive system for reporting and monitoring risks which is differentiated by risk type and company of the Group. The Risk Management Units of the companies of the Group monitor the risk levels of each company on a continuous basis using specialized and approved risk management methods, under the coordination of the Risk & Compliance Unit of the Group. The main assumptions, the data sources and the processes used in measuring and monitoring risk are documented and tested for reliability on a regular basis through the review and audit and the validation framework.

Risk Categories

The Group ensures that it deals with all risks, internal or external, present or future, and especially those that have been recognized as significant. It is recognized that each service provided by the Group can expose it to any combination of the risks mentioned below.

The usual risks to which, due to the nature of its activities, the Group may be exposed to are:

Financial Risk

- Credit Counterparty risk (credit risk arising from the default of the clearing obligations by one or more clearing member counterparties)
- Market risk (changes in exchange rates, interest rates, market prices, commodities and volatility), mainly as a result of credit counterparty risk
- Credit risk (mainly from the investment of own assets)
- Liquidity risk (mainly cash flow risk), mainly as a result of counterparty risk

Operational Risk

Risk of loss resulting from inadequate or failed internal processes, people and systems or from external events, including legal risk. Risk corresponding to the security of the IT systems, as in the majority of companies, is now becoming very important, and appropriate measures to contain it are being taken.

Business Risk

Risk due to new competitors, drop in trading activity, worsening of the local and international economic situation etc.

At the relevant section of the Annual Financial Report, there is an extensive reference to the applicable procedure for dealing with the financial, business and other risk categories mentioned above.

The Board of Directors is informed on a regular basis about the risks that the Group faces, and examines whether those risks are clearly identified, adequately assessed, and managed effectively.

Information re items of article 10 §1 (c), (d), (f), (h), (i) of Directive 2004/25/EC of the European Parliament and of the Council of April 21st 2004 concerning public offers

- The information required under item (c) of §1 article 10 of Directive 2004/25/EC is already included in another section of the Annual Financial Report that refers to the additional information of article 4 §7 of law 3556/2007.

- With regards to the information required under item (d) of §1 article 10 of Directive 2004/25/EC, there are no securities of the Company that confer special control privileges to their holders.
- With regards to the information required under item (f) of §1 article 10 of Directive 2004/25/EC, there is no restriction of any kind on voting rights.
- With regards to the information required under item (h) of §1 article 10 of Directive 2004/25/EC, the provisions of the Articles of Association of the Company concerning the appointment and replacement of members of the Board of Directors and modifications of the Company's Articles of Association do not deviate from the provisions in law 4548/2018.

  In particular, in accordance with the provisions of the Articles of Association, the members of the Board of Directors can be nine (9) up to thirteen (13) and are elected by the General Meeting, which also decides on their number. Their term of office is four years, beginning on the day of election by the General Meeting and ending at the Annual General Meeting that is convened in the year during which the four-year term since the election has already been completed.

  If a member of the Board of Directors resigns, dies, or forfeits his office in any way, or is declared forfeit by a decision of the Board of Directors due to unaccounted for absence from the meetings for three consecutive months, the Board of Directors may continue to manage and represent the Company without replacing these members, provided that the remaining members are at least nine (9).

  If the number of members of the Board of Directors drops below nine (9), and provided that the remaining members are at least three (3), the Board of Directors is obliged to elect replacements for the remainder of the term of office for the members being replaced, at least up until the ninth (9^{th}) member. If elected by the Board of Directors as an interim member to replace another member, the election is announced to the General Meeting immediately following (Annual or Extraordinary), which may replace the members thus elected even if such an item has not been included in the daily agenda of the General Meeting in question.

  Already, by decision of the General Meeting, the members of the Board of Directors are thirteen (13).

  The members of the Board of Directors can always be reelected, and are recalled at any time by the General Meeting of shareholders.
- The information required under item (i) of article 10 §1 of Directive 2004/25/EC is already included in another section of the Annual Financial Report that refers to the additional information of article 4 §7 of law 3556/2007.

TRANSACTIONS WITH ASSOCIATED COMPANIES OF THE HELLENIC EXCHANGES – ATHENS STOCK EXCHANGE (ATHEX) GROUP FOR THE 19TH FISCAL YEAR FROM 1.1.2019 TO 31.12.2019

In accordance with the provisions of Article 2 of Law 3016/2002 on "Corporate governance, payroll issues and other provisions", a report on transactions with associated companies of the Hellenic Exchanges-Athens Stock Exchange SA Group (ATHEX) has been prepared for the fiscal year 01.01.2019 - 31.12.2019.

Transactions with companies associated with the Group concern the following categories:

Dividends

These are the dividends which are received by Athens Exchange from its subsidiaries, based on the participation percentages.

Invoicing of services

These are services granting the right to use the OASIS system, monitoring and maintaining the network, computer and telecommunications equipment of the companies of the Group and providing information to data vendors.

Intra-Group Contracts

Because of the operating restructuring of the Group, by a contractual agreement dated 25.4.2005, Athens Exchange provides support and administrative services to the other companies of the Group. In addition, by the relevant contractual agreements Athens Exchange provides user and IT services to the other companies of the Group; these services are specified in the individual contracts.

Rents

Following the relocation of the departments of the Group to the new building, ATHEX collected rent from Athens Exchange and ATHEXClear up until 19.12.2013. The ATHEX central registry and depository business, which includes the building at 110 Athinon Ave, was transferred on 19.12.2013 to TSEC, at the same time the headquarters were moved to Athens and the name of the company changed to ATHEXCSD. Starting on 1.1.2014 ATHEXCSD collects rent from the other companies of the Group.

Financing

The former Athens Exchange had concluded a loan agreement with the former HELEX in order to provide the latter with a short term cash facility for the needs of the settlement of cross-border transactions as part of the operation of the XNET network.

The value of transactions and the balances of the Group with associated parties on 31.12.2019 are analyzed in the following table:

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Remuneration of executives and members of the BoD	1,370	1,490	954	1,015

For the Hellenic Exchanges-Athens Stock Exchange S.A. (ATHEX) Group (following the completion of the restructuring), intra-Group transactions between the following associated companies are included:

- Hellenic Exchanges-Athens Stock Exchange S.A. (ATHEX)
- Hellenic Central Securities Depository (ATHEXCSD)

- Athens Exchange Clearing House (ATHEXClear)

The intra-Group balances on 31.12.2019 and 31.12.2018, as well as the intra-Group transactions of the companies of the Group on 31.12.2019 and 31.12.2018 are shown below:

INTRA-GROUP BALANCES (in €) 31-12-2019				
		ATHEX	ATHEXCSD	ATHEXCLEAR
ATHEX	Claims	0	446,609	0
	Liabilities	0	0	0
ATHEXCSD	Claims	0	0	120,246
	Liabilities	446,609	0	1,600
ATHEXCLEAR	Claims	0	1,600	0
	Liabilities	0	120,246	0

INTRA-GROUP BALANCES (in €) 31-12-2018				
		ATHEX	ATHEXCSD	ATHEXCLEAR
ATHEX	Claims	0	404,920	0
	Liabilities	0	3,069	0
ATHEXCSD	Claims	3,069	0	20,047
	Liabilities	404,920	0	1,611
ATHEXCLEAR	Claims	0	1,611	0
	Liabilities	0	20,047	0

INTRA-GROUP REVENUES-EXPENSES (in €) 31-12-2019				
		ATHEX	ATHEXCSD	ATHEXCLEAR
ATHEX	Revenue	0	386,451	110,522
	Expenses	0	315,069	0
	Dividend Income	0	3,210,400	0
ATHEXCSD	Revenue	315,069	0	5,940,953
	Expenses	386,451	0	26,006
ATHEXCLEAR	Revenue	0	26,006	0
	Expenses	110,522	5,940,953	0

INTRA-GROUP REVENUES-EXPENSES (in €) 31-12-2018				
		ATHEX	ATHEXCSD	ATHEXCLEAR
ATHEX	Revenue	0	402,376	109,822
	Expenses	0	308,833	0
	Dividend Income	0	802,600	0
ATHEXCSD	Revenue	308,833	0	5,085,351
	Expenses	402,376	0	16,258
ATHEXCLEAR	Revenue	0	16,258	0
	Expenses	109,822	5,085,351	0

Intra-Group transactions concern: the annual fee for trade settlement (art. 1 decision 1 on fees), settlement instructions (art. 1 decision 1 on fees), support services (accounting, security, administrative services etc.), IT services, as well as PC support services, which are invoiced at prices comparative to those between third parties.

For the affiliated company Hellenic Energy Exchange, the table of claims and revenue for 2019 and 2018 follows below:

Claims (in €)	**31.12.2019**	**31.12.2018**
ATHEX	224,323	112,223
ATHEXCSD	80,178	263,725
ATHEXClear	9,300	0

Revenue (in €)	**31.12.2019**	**31.12.2018**
ATHEX	325,815	69,441
ATHEXCSD	274,300	110,142
ATHEXClear	30,000	0

REPORT IN ACCORDANCE WITH ARTICLE 4 OF LAW 3556/2007

The present explanatory report of the Board of Directors contains information in accordance with article 4 §7 of Law 3556/2007, and will be submitted to the Annual General Meeting of shareholders, in accordance with the provisions of article 4 §8 of Law 3556/2007. Wherever the provisions above refer to provisions of codified Law 2190/1920, which are abolished by article 189 of Law 4548/2018, these references are assumed to be to the corresponding provisions of Law 4548/2018 (article 188 of Law 4548/2018).

Share capital structure

The share capital of the Company is €35,001,840.00 and is divided into 60.348.000 shares, with a par value of €0.58 each. All shares are listed for trading in the Main cash market of Athens Exchange. The Company's shares are common registered with a voting right.

Restrictions on the transfer of shares of the Company

The transfer of shares of the Company takes place in accordance with the Law and there are no restrictions on their transfer in the Company's Articles of Association.

Significant direct or indirect participations in accordance with the provisions of Law 3556/2007

The following shareholders on 31.12.2019 possessed, directly and indirectly, more than 5% of the share capital of the Company:

Shareholder	% of the share capital of the Company
FRANKLIN TEMPLETON INSTITUTIONAL LLC (indirect participation - % based on the notification by the shareholder on 9.2.2016)	5.56%
THE LONDON AND AMSTERDAM TRUST COMPANY LTD (Direct participation - % based on the notification by the shareholder on 6.12.2013)	5.41%

No other physical or legal entity possesses more than 5% of the share capital of the Company.

Shares that provide special control privileges

No shares of the Company exist that confer on their holders special control privileges.

Voting right restrictions

No voting right restrictions are foreseen in the Articles of Association of the Company.

Agreements between shareholders of the Company

No agreement between its shareholders has been made known to the Company that implies restrictions in the transfer of its shares or in the exercise of voting rights of the Company's shares.

Rules for appointing and replacing members of the Board of Directors and modifying the Articles of Association, provided that they deviate from the provisions of Law 4548/2018 (which abolished codified Law 2190/1920)

Beyond the special provision regarding the continuation of the representation and management of the Company in case of resignation, death, or in any other way loss of the capacity of Member of the BoD, provided that the remaining members are at least nine (9) in number, the provisions of the Articles of Association concerning the appointment and replacement of the members of the Board of Directors and the modification of the Articles of Association do not deviate from the provisions of Law 4548/2018 which abolished codified Law 2190/1920.

Responsibility of the Board of Directors or specific BoD members regarding the issuance of new shares or the purchase of own shares in accordance with article 16 of Law 2190/1920 (and already article 49 of Law 4548/2018)

In accordance with the provisions of article 113 of Law 4548/2018, the Board of Directors can increase the share capital of the Company, by issuing new shares, in order to implement stock option plans approved by the General Meeting, whereby beneficiaries obtain Company shares, under the specific terms and procedures that are foreseen in the abovementioned provisions. There is no provision in the Articles of Association of the Company contrary to the above.

In accordance with the provisions of article 49 of Law 4548/2018 (previously article 16 of abolished codified Law 2190/1920, the Company may, following the approval of the General Meeting, obtain own shares up to the amount of 1/10 of the paid-in share capital, under the specific terms and procedures foreseen by article 49 of Law 4548/2018. There is no provision in the Articles of Association of the Company contrary to the above.

Important agreement concluded by the Company, coming into effect, modified or expiring, in case there is a change of control of the Company following a public offer, and the effects of any such agreement

No such agreement exists.

Agreements that the Company has concluded with members of its Board of Directors or with employees, which foresee the payment of compensation in case of resignation or termination without cause, or termination of the term of office or employment, as a result of a public offer

There are no agreements between the Company and members of its Board of Directors or employees, which foresee the payment of compensation, especially in case of resignation or termination without cause, or termination of the term of office or employment, as a result of a public offer.

Alternative Performance Measures

An Alternative Performance Measure (APM) is an adjusted financial measurement of past or future financial performance, financial position or cash flows that is different from the financial measurement defined in the applicable financial reporting framework. In other words, an APM on the one hand is not exclusively based on financial statement standards, and on the other it provides material supplementary information, excluding items that may potentially differentiate from the operating results or the cash flows.

Transactions with a non-operational or non-cash valuation that have a significant effect in the Statement of Comprehensive Income are considered items that affect the adjustment of the indices to APMs. These, non-recurring in most cases, items may arise among others from:

- Asset impairments
- Restructuring measures
- Consolidation measures
- Sale or transfer of assets
- Changes in legislation, compensation for damages or legal claims

APMs must always be taken into consideration in conjunction with the financial results that have been drafted based on IFRS, and in no instance should they be considered as replacing them. The Athens Exchange Group used APMs for the first time in fiscal year 2016, in order to better reflect the financial and operational performance related to the activity of the Group as such in the fiscal year in question, as well as the previous comparable period.

The definition, analysis and calculation basis of the APMs used by the Group is presented below.

Items affecting the adjustment

In accordance with the financial statements for 2019, the items that affect the adjustment of the indices used by the Group in order to calculate APMs are the valuation of the shares of a listed bank that it possesses, the change in the value of its properties due to an assessment, as well as the provisions for doubtful claims.

in € thousand	01.01-31.12.2019	01.01-31.12.2018
Statement of Comprehensive Income		
Provisions against bad debts	10	(78)
Plot of land assessment loss	0	(300)
Reversal of unused provisions	0	123
Total	**10**	**(255)**
Other Comprehensive Income	**0**	**0**
Gain from properties assessment	0	1,949
Share valuation	(1,092)	(1,117)
Total	**(1,092)**	**832**
Grand total	**(1,082)**	**577**

The indices which are not differentiated due to the lack of adjustment items are:

1. **EBITDA** = Earnings Before Interest, Taxes, Depreciation & Amortization - items affecting the adjustment

€ thousand	01.01-31.12.2019	01.01-31.12.2018	Deviation %
EBITDA	**13,236**	**7,382**	**79%**
Provisions against bad debts	(10)	78	(113%)
Reversal of unused provisions	0	(123)	(100%)
Adjusted EBITDA	**13,226**	**7,337**	**80%**
Deviation %	**(0%)**	**(1%)**	

2. EBIT = Earnings Before Interest & Taxes - items affecting the adjustment

€ thousand	01.01-31.12.2019	01.01-31.12.2018	Deviation %
EBIT	**9,153**	**3,878**	**136%**
Provisions against bad debts	(10)	78	(113%)
Reversal of unused provisions	0	(123)	(100%)
Adjusted EBIT	**9,143**	**3,833**	**139%**
Deviation %	**(0%)**	**(1%)**	

3. EBT = Earnings Before Taxes - items affecting the adjustment

€ thousand	01.01-31.12.2019	01.01-31.12.2018	Deviation %
EBT	**9,482**	**4,008**	**137%**
Provisions against doubtful claims	(10)	78	(113%)
Reversal of unused provisions	0	(123)	(100%)
Plot of land assessment loss	0	300	(100%)
Adjusted EBT	**9,472**	**4,263**	**122%**
Deviation %	**(0%)**	**6%**	

4. EAT = Earnings After Taxes - items affecting the adjustment

€ thousand	01.01-31.12.2019	01.01-31.12.2018	Deviation %
EAT	**6,080**	**3,027**	**101%**
Provisions against doubtful claims	(10)	78	(113%)
Reversal of unused provisions	0	(123)	(100%)
Plot of land assessment loss	0	300	(100%)
Adjusted EAT	**6,070**	**3,282**	**85%**
Deviation %	**(0%)**	**8%**	

5. Cash flows after investments

(cash flows before financial activities in the Statement of Cash Flows)

Net cash flows from operating activities - Net cash flows from investment activities - items affecting the adjustment

€ thousand	01.01-31.12.2019	01.01-31.12.2018	Deviation %
Net cash flows from operating activities	12,237	4,614	(100%)
Net cash flows from investment activities	(3,793)	(3,738)	(100%)
Cash flows after investment activities	**8,444**	**876**	**(100%)**
Items affecting the adjustment	(10)	255	(100%)
Adjusted cash flows from investment activities	**8,434**	**1,131**	**(100%)**
Deviation	**(0%)**	**29%**	

6. Return on Investment (ROI) %

$$\frac{\text{Earnings Before Taxes + Interest \& related expenses – items affecting the adjustment}}{\text{Total liabilities (reduced by third party cash \& cash equivalents) + average interest bearing liabilities during the year}} \times 100$$

€ thousand	01.01-31.12.2019	01.01-31.12.2018	Deviation %
Return on Investment (ROI)	**62%**	**35%**	**77%**
Earnings After Tax	9,482	4,008	137%
Interest & related expenses	145	135	7%
Items affecting the adjustment	(10)	255	(104%)
Total (a)	**9,617**	**4,398**	**119%**
Total liabilities – Third party cash & cash equivalents (b)	**15,372**	**11,976**	**28%**
Adjusted Return on Investment (ROI) (a)/(b)	**63%**	**37%**	**70%**
Deviation %	**-1%**	**5%**	

7. Adjusted Return on Equity (ROE), %

$$= \frac{\text{Earnings After Taxes – items affecting the adjustment}}{\text{Total Equity (average)}} \times 100$$

€ thousand	01.01-31.12.2019	01.01-31.12.2018	Deviation %
Return on Equity	**5.63%**	**2,70%**	**109%**
Net earnings for the period	6,080	3,027	101%
Items affecting the adjustment	(10)	255	(104%)
Total	**6,070**	**3,282**	**85%**
Average total Equity	**108,078**	**112,209**	**(4%)**
Adjusted Return on Equity	**5.62%**	**2.92%**	**92%**
Deviation %	**0%**	**8%**	

8. Degree of Financial Self-Sufficiency

$$= \frac{\text{Total Equity – items affecting the adjustment}}{\text{Total Balance sheet – third party cash assets}} \times 100$$

€ thousand	01.01-31.12.2019	01.01-31.12.2018	Deviation %
Degree of Financial Self-Sufficiency	**90%**	**90%**	**0%**
Total Equity	108,028	110,738	(2%)
Items affecting the adjustment	(10)	255	(104%)
Share valuation	1,092	(832)	(231%)
Total (a)	**109,110**	**110,161**	**-1%**
Total Balance Sheet - Third party cash & cash equivalents (b)	**123,400**	**122,714**	**1%**
Adjusted Degree of Financial Self-Sufficiency (a/b)	**88%**	**90%**	**-2%**
Deviation %	**-2%**	**0%**	

9. Adjusted EPS

$$= \frac{\text{Net Earnings attributable to the owners of the parent Company – items affecting the adjustment}}{\text{Average number of shares during the period}} \times 100$$

€ thousand	01.01-31.12.2019	01.01-31.12.2018	Deviation %
EPS	**0.115**	**0.064**	**80%**
Other comprehensive income	6,946	3,865	80%
Adjustment items	1,082	(577)	(288%)
Share valuation	0	0	0%
Net adjusted other comprehensive income	**8,028**	**3,288**	**144%**
Average number of shares during the period	**60,348,000**	**60,348,000**	**0%**
Adjusted EPS	**0.133**	**0.054**	**146%**
Deviation %	**16%**	**(16%)**	

Composition of the BoDs of the companies of the Group

The current members of the Boards of Directors of the companies of the ATHEX Group are listed in the following tables.

The composition of the Board of Directors that was elected by the General Meeting on 30.05.2019 with a four-year term of office is the following:

HELLENIC EXCHANGES - ATHENS STOCK EXHANGE S.A. HOLDING	
Name	**Position**
George Handjinicolaou	Chairman, non-executive member
Alexios Pilavios	Vice Chairman, non-executive member
Socrates Lazaridis	Chief Executive Officer, executive member
Alexandros Antonopoulos	Independent non-executive member
Konstantinos Vassiliou	Non-executive member
Giorgos Doukidis	Independent non-executive member
Ioannis Emiris	Non-executive member
Polyxeni Kazoli	Independent non-executive member
Sofia Kounenaki – Efraimoglou	Independent non-executive member
Ioannis Kyriakopoulos	Non-executive member
Adamantini Lazari	Independent non-executive member
Spyridoula Papagiannidou	Independent non-executive member
Nikolaos Chryssochoidis	Non-executive member

The composition of the Boards of Directors of the subsidiaries ATHEXCSD and ATHEXClear is the following:

ATHENS EXCHANGE CLEARING HOUSE S.A	
Name	**Position**
Alexios Pilavios	Chairman, non-executive member
Gikas Manalis	Vice Chairman, non-executive member
Socrates Lazaridis	Chief Executive Officer, Executive member
Andreas Mitafidis	Independent non-executive member
Nikolaos Pimplis	Executive member
Charalambos Saxinis	Independent non-executive member
Dionysios Christopoulos	Independent non-executive member

HELLENIC CENTRAL SECURITIES DEPOSITORY S.A.	
Name	**Position**
George Handjinicolaou	Chairman, non-executive member
Adamantini Lazari	Vice Chairman, Independent non-executive member
Socrates Lazaridis	Chief Executive Officer, Executive member
Theano Karpodini	Independent non-executive member
Polyxeni Kazoli	Independent non-executive member
Spyridoula Papagiannidou	Independent non-executive member
Nikolaos Pimplis	Executive member

Significant events after 31.12.2019

The rapid spread of the coronavirus (COVID-19) disease, finds the world financial system and business to a large degree unprepared. The world economy is entering a period of uncertainty and instability, the consequences of which are difficult to estimate based on the facts so far. The economic impact will depend on the duration, the intensity and the spread of the disease in Greece and across the world.

At the same time, the critical period that we are facing and the financial impact of the pandemic have brought about major changes in our work routine.

Companies are now required to operate under complex and adverse conditions, while ensuring a safe and effective environment for both their staff as well as their clients and partners.

In this context, the Athens Exchange has implemented a series of preventive measures, supporting from the start the national initiative and following the recommendations of those responsible for taking specific measures to contain the spread of the virus.

Following confirmation of a case affecting a member of the Group's management, we took swift action to protect our staff, our partners and our customers. We carry out regular disinfections of the office building of the companies of the Group and immediately implemented work from home for up to 90% of our staff.

By utilizing our technological infrastructure, we have created a strong crisis response mechanism, which ensures both seamless business continuity and systems security (including cyber security and data protection systems in a remote work environment).

The Group continues to operate smoothly until the date of this report, as Management has taken the necessary measures to limit the extent of the financial impact of the COVID-19 pandemic to the extent that there is no material uncertainty regarding the continued operation of the Group in the short-term.

Additional significant factors that contribute to this conclusion is the fact that the Group has a strong financial position, without external borrowing, and sufficient liquidity in order to meet the maturity of its liabilities. The strong capital adequacy of the Group is consistent with the appetite for risk taking to the extent that it enables the reliable, secure and seamless operation of the capital market. In addition, the Group may adjust its investment plan by considering delaying or even postponing investments depending on current developments.

However, there is a high degree of uncertainty in the long-term concerning the duration, the intensity and the extent of the disease. As a result, an estimation of the macroeconomic conditions at the global level and by extension of the financial consequences at the Group level in the long-term cannot be reliably and reasonably determined at this stage.

There is no event that has a significant effect in the results of the Group which has taken place or was completed after 31.12.2019, the date of the 2019 annual financial statements and up until the approval of the annual financial statements by the Board of Directors of the Company on 30.03.2020.

Athens, 30 March 2020

The Board of Directors

3. AUDIT REPORT BY THE INDEPENDENT CERTIFIED AUDITORS ACCOUNTANTS

[Translation from the original text in Greek]

Independent auditor's report

To the Shareholders of "HELLENIC EXCHANGES – ATHENS STOCK EXCHANGE SA (ATHEX)"

Report on the audit of the Annual Separate and Consolidated Financial Statements

Our opinion

We have audited the accompanying Annual Separate and Consolidated Financial Statements of "HELLENIC EXCHANGES – ATHENS STOCK EXCHANGE SA" (the "Company") and its subsidiaries (the "Group") which comprise the Annual Statement of Financial Position as of 31 December, 2019, the Annual Statement of Comprehensive Income, Annual Statement of Changes in Equity and Annual Cash Flow Statement for the year then ended, and Notes to the 2019 Annual Separate and Consolidation Financial Statements, including a summary of significant accounting policies.

In our opinion, the Annual Separate and Consolidated Financial Statements present fairly, in all material respects the annual separate and consolidated financial position of the Company and the Group as at 31 December, 2019, their annual separate and consolidated financial performance and their annual separate and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union and comply with the statutory requirements of Law 4548/2018.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), as they have been transposed into Greek Law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Annual Separate and Consolidated Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

During our audit we remained independent of the Company and the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) that has been transposed into Greek Law, and the ethical requirements of Law 4449/2017 and of Regulation (EU) No 537/2014, that are relevant to the audit of the Annual Separate and Consolidated Financial Statements in Greece. We have fulfilled our other ethical responsibilities in accordance with Law 4449/2017, Regulation (EU) No 537/2014 and the requirements of the IESBA Code.

We declare that the non-audit services that we have provided to the Company and its subsidiaries are in accordance with the aforementioned provisions of the applicable law and regulation and that we have not provided non-audit services that are prohibited under Article 5(1) of Regulation (EU) No 537/2014.

The non-audit services that we have provided to the Company and its subsidiaries, during the year ended as at 31 December 2019, are disclosed in the note 5.21 to the Annual Separate and Consolidated Financial Statements.

Key audit matter

Key audit matter is that matter that, in our professional judgment, were of most significance in our audit of the Annual Separate and Consolidated Financial Statements of the current period. This matter was addressed in the context of our audit of the Annual Separate and Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on that matter.

Key Audit Matter	How our audit addressed the key audit matter
Recoverability of trade receivables (Note 5.33 of Annual Separate and Consolidated Financial statements) We have focused on this area due to the significance of the underlying estimates and assumptions, Management has used to calculate the provision for doubtful debts. As at the 31 December, 2019, the Group and the Company have recorded trade receivables of € 8.1 mil, and € 4,4 mil, respectively reduced by provision for doubtful debts of € 3,6 mil for the Group and € 1,6 mil for the Company. Based on the requirements of IFRS 9 «Financial Instruments», Management has calculated the expected credit losses over the lifecycle of trade receivables in order to determine the required provision. For the purpose of determining the level of the provisions, significant estimates and assumptions are required in relation to the calculation of expected credit losses which are based on historical data and current market conditions as well as future forecasts at the end of each reporting date. Refer to Annual Separate and Consolidated Financial Statements Note 5.2. "Basis of preparation of the Annual Separate and Consolidated Financial Statements" and Note 5.33 "Trade receivables, other receivables and prepayments"	Our audit procedures in relation to the recoverability of trade receivables included: • Understand the Group and Company's credit control procedures and methodology for assessing the recoverability of trade receivables; • Examined the methodology and calculations used by Management in relation to the provision for doubtful trade receivables based on IFRS 9; • Tested the accuracy and the completeness of the data that was used to calculate the provision for doubtful client trade receivables based on the requirements of IFRS 9 on a sample basis; and • Assessed the underlying Management estimates and assumptions used in calculating the provision for expected credit losses. Based on the audit procedures performed, we found the estimates and assumptions used by Group and Company Management in their assessment of the recoverability of trade receivables and calculation of the provision of expected credit losses are supported by the available evidence and the disclosures made in Note 5.33 of the Annual Separate and Consolidated Financial Statements, are adequate.

Other Information

The members of the Board of Directors are responsible for the Other Information. The Other Information, which is included in the Annual Report in accordance with Law 3556/2007, is the Statements of Board of Directors members and the Board of Directors Report (but does not include the Annual Separate and Consolidated Financial Statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report.

Our opinion on the Annual Separate and Consolidated Financial Statements does not cover the Other Information and except to the extent otherwise explicitly stated in this section of our Report, we do not express an audit opinion or other form of assurance thereon.

In connection with our audit of the Annual Separate and Consolidated Financial Statements, our responsibility is to read the Other Information identified above and, in doing so, consider whether the Other Information is materially inconsistent with the Annual Separate and Consolidated Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We considered whether the Board of Directors Report includes the disclosures required by Law 4548/2018 and the Corporate Governance Statement required by article 152 of Law 4548/2018 has been prepared.

Based on the work undertaken in the course of our audit, in our opinion:

- The information given in the Board of Directors' Report for the year ended at 31 December 2019 is consistent with the Annual Separate and Consolidated Financial Statements,
- The Board of Directors' Report has been prepared in accordance with the legal requirements of articles 150,151,153 and 154 of Law 4548/2018,
- The Corporate Governance Statement provides the information referred to items c and d of paragraph 1 of article 152 of the Law 4548/2018.

In addition, in light of the knowledge and understanding of the Company and Group, "HELLENIC EXCHANGES – ATHENS STOCK EXCHANGE SA (ATHEX)" and their environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Board of Directors' Report and Other Information that we obtained prior to the date of this auditor's report. We have nothing to report in this respect.

Responsibilities of Board of Directors and those charged with governance for the annual separate and consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of the Annual Separate and Consolidated Financial Statements in accordance with International Financial Reporting Standards, as adopted by the European Union and comply with the requirements of Law 4548/2018, and for such internal control as the Board of Directors determines is necessary to enable the preparation of the Annual Separate and Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Annual Separate and Consolidated Financial Statements, the Board of Directors is responsible for assessing the Company's and Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Company and Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and Group's financial reporting process.

Auditor's responsibilities for the audit of the annual separate and consolidated financial statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

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

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

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

- Evaluate the overall presentation, structure and content of the Annual Separate and Consolidated Financial Statements, including the disclosures, and whether the Annual Separate and Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Annual Separate and Consolidated Financial Statements of the current period and are therefore the key audit matter. We describe these matters in our auditor's report.

Report on other legal and regulatory requirements

1. Additional Report to the Audit Committee

Our opinion on the accompanying Annual Separate and Consolidated Financial Statements is consistent with the requirements of Article 11 of Regulation (EU) No 537/2014 – "Supplementary Report to the Audit Committee of the Company".

2. Appointment

We were appointed as auditors of the Company by the decision of the annual general meeting of shareholders on 25 May, 2017. Our appointment has been renewed annually by the decision of the annual general meeting of shareholders for a total uninterrupted period of appointment of 3 years.

PricewaterhouseCoopers S.A.

268 Kifissias Avenue, 152 32 Athens

Reg. No. 113

Despina Marinou Reg N. 17681	Fotis Smyrnis Reg N. 52861

Athens, 30 March 2020

4. 2019 COMPANY & CONSOLIDATED FINANCIAL STATEMENTS

for the period 1 January 2019 to 31 December 2019

In accordance with the International Financial Reporting Standards

4.1. Annual Statement of Comprehensive Income

	Notes	Group		Company	
		01.01 31.12.2019	01.01 31.12.2018	01.01 31.12.2019	01.01 31.12.2018
Revenue					
Trading	5.8	5,272	4,299	5,272	4,299
Clearing	5.9	9,251	7,914	0	0
Settlement	5.10	4,903	1,378	0	0
Exchange services	5.11	3,051	2,975	3,051	2,975
Depository services	5.12	2,457	2,443	0	0
Clearinghouse services	5.13	130	126	0	0
Market Data	5.14	2,556	2,891	2,780	3,115
IT services	5.15	495	468	459	427
Revenue from re-invoiced expenses	5.16	956	1,114	741	990
Ancillary services (XNET, colocation, LEI)	5.17	2,623	2,336	1,473	1,123
Other services	5.18	1,674	642	1,373	708
Total turnover		**33,368**	**26,586**	**15,149**	**13,637**
Hellenic Capital Market Commission fee	5.19	(1,216)	(1,019)	(449)	(369)
Total revenue		**32,152**	**25,567**	**14,700**	**13,268**
Expenses					
Personnel remuneration & expenses	5.20	10,433	9,860	5,545	5,328
Third party remuneration & expenses	5.21	881	633	617	382
Utilities	5.22	761	692	121	74
Maintenance / IT support	5.23	1,397	1,386	959	975
Other Taxes	5.24	1,336	1,154	667	597
Building / equipment management	5.25	627	491	128	110
Other operating expenses	5.26	1,740	1,885	1,530	1,499
Total operating expenses before ancillary services and depreciation		**17,175**	**16,101**	**9,567**	**8,965**
Re-invoiced expenses	5.27	959	962	711	748
Expenses for ancillary services (XNET, LEI, IT)	5.28	782	1,122	212	199
Total operating expenses, including ancillary services before depreciation		**18,916**	**18,185**	**10,490**	**9,912**
Earnings before Interest, Taxes, Depreciation & Amortization (EBITDA)		**13,236**	**7,382**	**4,210**	**3,356**
Depreciation	5.29 & 5.31	(4,083)	(3,504)	(2,016)	(1,732)
Earnings Before Interest and Taxes (EBIT)		**9,153**	**3,878**	**2,194**	**1,624**
Capital income	5.35	366	565	175	321
Dividend income	5.32	0	0	3,210	803
Income from participations	5.48	108	0	108	0
Real estate impairment loss	5.29	0	(300)	0	(300)
Financial expenses	5.35	(145)	(135)	(71)	(10)
Earnings Before Tax (EBT)		**9,482**	**4,008**	**5,616**	**2,438**
Income tax	5.45	(3,402)	(981)	(1,193)	(669)
Earnings after tax		**6,080**	**3,027**	**4,423**	**1,769**

Any differences between the amounts in the financial statements and the corresponding amounts in the notes are due to rounding.

The notes in chapter 5 form an integral part of the annual financial statements of 31.12.2019.

(Amounts in thousand euro, unless otherwise noted) 93

		Group		Company	
		01.01	01.01	01.01	01.01
	Notes	31.12.2019	31.12.2018	31.12.2018	31.12.2018
Earnings after tax (A)		**6,080**	**3,027**	**4,423**	**1,769**
Other comprehensive income not transferred to results in future fiscal years					
Profits / (losses) from the reassessment of real estate values	5.29		2,599		
Income tax included in other comprehensive income / (losses)			(650)		
Valuation profits / (losses) during the period	5.34	1,437	(1,490)	1,437	(1,490)
Income tax included in other comprehensive income / (losses)		(345)	373	(345)	373
Actuarial profits / (losses) from staff termination provision	5.41	(297)	8	(174)	6
Income tax effect		71	(2)	42	(2)
Other comprehensive income / (losses) after taxes (B)		**866**	**838**	**960**	**(1,113)**
Total other comprehensive income (A) + (B)		**6,946**	**3,865**	**5,383**	**656**

Distributed to:		**2019**	**2018**
Company shareholders		6,946	3,865
Profits after tax per share (basic & diluted; in €)		0.115	0.064
Weighted average number of shares		60,348,000	60,348,000

Any differences between the amounts in the financial statements and the corresponding amounts in the notes are due to rounding.

The notes in chapter 5 form an integral part of the annual financial statements of 31.12.2019.

(Amounts in thousand euro, unless otherwise noted) 94

4.2. Annual Statement of Financial Position

	Note	Group		Company	
		31.12.2019	31.12.2018	31.12.2019	31.12.2018
ASSETS					
Non-Current Assets					
Tangible assets for own use	5.29	22,920	23,551	1,322	931
Right of use assets	5.30	90	0	1,481	0
Real Estate Investments	5.31	2,082	2,287	2,082	2,287
Intangible assets	5.29	6,449	6,549	3,752	4,174
Deferred tax	5.37	514	1,467	480	1,419
Participations & other long term receivables	5.32	1,228	1,118	59,278	59,168
Financial assets at fair value through other income	5.34	3,037	561	3,037	561
		36,320	**35,533**	**71,432**	**68,540**
Current Assets					
Trade receivables	5.33	4,506	3,118	2,810	1,818
Other receivables	5.33	9,148	9,081	5,810	7,031
Income tax receivable	5.45	0	374	0	295
Third party balances in Group bank accounts	5.36	186,394	153,358	1,428	1,398
Cash and cash equivalents	5.35	73,426	74,608	17,283	22,746
		273,474	**240,539**	**27,331**	**33,288**
Total Assets		**309,794**	**276,072**	**98,763**	**101,828**
EQUITY & LIABILITIES					
Equity & Reserves					
Share capital	5.39	35,002	41,640	35,002	41,640
Treasury stock	5.39	0	0	0	0
Share premium	5.39	157	157	157	157
Reserves	5.39	51,396	50,201	46,014	44,922
Retained earnings	5.39	21,473	18,740	9,328	8,055
Total Equity		**108,028**	**110,738**	**90,501**	**94,774**
Non-current liabilities					
Grants and other long term liabilities	5.40	50	50	50	50
Contractual obligation	5.38	672	0	397	0
Deferred tax	5.37	1,573	1,483	0	0
Lease liabilities	5.30	55	0	1,379	0
Staff retirement obligation	5.41	2,069	1,794	1,303	1,118
Other provisions	5.41	60	1,360	0	1,300
		4,479	**4,687**	**3,129**	**2,468**
Current liabilities					
Trade and other payables	5.42	4,135	3,645	2,016	2,077
Contractual obligation	5.38	439	0	189	0
Income tax payable	5.45	1,391	0	53	0
Taxes payable	5.43	3,802	2,660	430	331
Social Security	5.44	1,096	984	895	780
Lease liabilities	5.30	30	0	123	0
Third party balances in Group bank accounts	5.36	186,394	153,358	1,427	1,398
		197,287	**160,647**	**5,133**	**4,586**
Total Liabilities		**201,766**	**165,334**	**8,262**	**7,054**
Total Equity & Liabilities		**309,794**	**276,072**	**98,763**	**101,828**

Any differences between the amounts in the financial statements and the corresponding amounts in the notes are due to rounding.

The notes in chapter 5 form an integral part of the annual financial statements of 31.12.2019.

(Amounts in thousand euro, unless otherwise noted) 95

4.3. Annual Statement of Changes in Equity

4.3.1. Group

	Share Capital	Own Shares	Share Premium	Reserves	Retained Earnings	Total Equity
Balance 01.01.2018	**50,903**	**(1,162)**	**157**	**50,244**	**18,852**	**118,994**
Earnings for the period	0		0	0	3,027	3,027
Actuarial profit/ (loss) from defined benefit pension plans	0	0	0	0	4	4
Profits/(losses) from valuation of financial assets at fair value through other comprehensive income	0	0	0	(1,117)	0	(1,117)
Total comprehensive income after taxes	**0**	**0**	**0**	**(1,117)**	**3,031**	**1,914**
Earnings distribution to reserves	0	0	0	114	(114)	0
Cancellation of treasury stock	(173)	1,162	0	(989)	0	0
Formation of real estate revaluation reserves				1,949		1,949
Share capital return	(9,090)	0	0	0	0	(9,090)
Dividends paid				0	(3,029)	(3,029)
Balance 31.12.2018	**41,640**	**0**	**157**	**50,201**	**18,740**	**110,738**
Earnings for the period	0		0	0	6,080	6,080
Actuarial profit/ (loss) from defined benefit pension plans				0	(226)	(226)
Earnings/(losses) from valuation of financial assets at fair value through other comprehensive income				1,092		1,092
Total comprehensive income after taxes	**0**	**0**	**0**	**1,092**	**5,854**	**6,946**
Earnings distribution to reserves	0	0	0	102	(102)	0
Share capital return (note 5.39)	(6,638)	0	0	0	0	(6,638)
Dividends paid (note 5.47)	0	0	0	0	(3,017)	(3,017)
Balance 31.12.2019	**35,002**	**0**	**157**	**51,396**	**21,473**	**108,028**

Any differences between the amounts in the financial statements and the corresponding amounts in the notes are due to rounding.

The notes in chapter 5 form an integral part of the annual financial statements of 31.12.2019.

(Amounts in thousand euro, unless otherwise noted) 96

4.3.2. Company

	Share Capital	Own Shares	Share Premium	Reserves	Retained Earnings	Total Equity
Balance 01.01.2018	**50,903**	**(1,162)**	**157**	**47,028**	**9,311**	**106,237**
Earnings for the period	0		0	0	1,769	1,769
Actuarial profit/ (loss) from defined benefit pension plans	0		0	0	4	4
Profits/(losses) from valuation of financial assets at fair value through other comprehensive income	0		0	(1,117)	0	(1,117)
Total comprehensive income after taxes	**0**	**0**	**0**	**(1,117)**	**1,773**	**656**
Balance 31.12.2018	**41,640**	**0**	**157**	**44,922**	**8,055**	**94,774**
Earnings for the period	0		0	0	4,423	4,423
Actuarial profit/ (loss) from defined benefit pension plans				0	(132)	(132)
Profits/(losses) from valuation of financial assets at fair value through other comprehensive income				1,092		1,092
Total comprehensive income after taxes	**0**	**0**	**0**	**1,092**	**4,291**	**5,383**
Share capital return (note 5.39)	(6,638)		0	0	0	(6,638)
Dividends paid (note 5.47)					(3,017)	(3,017)
Balance 31.12.2019	**35,002**	**0**	**157**	**46,014**	**9,328**	**90,501**

Any differences between the amounts in the financial statements and the corresponding amounts in the notes are due to rounding.

The notes in chapter 5 form an integral part of the annual financial statements of 31.12.2019.

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4.4. Annual Cash Flow Statement

	Notes	Group		Company	
		1.1-31.12.2019	1.1-31.12.2018	1.1-31.12.2019	1.1-31.12.2018
Cash flows from operating activities					
Earnings before tax		9,482	4,008	5,616	2,438
Plus / (minus) adjustments for					
Depreciation	5.31	4,083	3,504	2,016	1,732
Staff retirement obligations	5.41	38	(388)	12	(251)
Other provisions		195	290	71	(97)
Revaluation of real estate assets			300		300
Interest Income	5.35	(366)	(565)	(175)	(321)
Dividends received		0	0	(3,210)	(803)
Revenue from participations		(108)	0	(108)	0
Interest and related expenses paid	5.35	145	135	71	10
Plus/ (minus) adjustments for changes in working capital accounts or concerning operating activities					
Reduction/(Increase) in receivables		(2,422)	592	(769)	174
(Reduction)/Increase in liabilities (except loans)		2,202	(1,350)	356	(205)
Reduction/Total adjustments for changes in working capital		**13,249**	**6,526**	**3,880**	**2,977**
Interest and related expenses paid	5.35	(145)	(135)	(11)	(10)
Taxes paid		(867)	(1,777)	(210)	(373)
Net inflows / outflows from operating activities (a)		**12,237**	**4,614**	**3,659**	**2,594**
Investing activities					
Purchases of tangible and intangible assets	5.29	(3,127)	(3,253)	(1,644)	(1,773)
Payment of participation in HenEx	5.32	0	(1,050)	0	(1,050)
Payment of participation in Boursa Kuwait	5.34	(1,032)	0	(1,032)	0
Interest received	5.35	366	565	175	321
Dividends received			0	3,210	803
Total inflows / (outflows) from investing activities (b)		**(3,793)**	**(3,738)**	**709**	**(1,699)**
Financing activities					
Special dividend (share capital return)	5.39	(6,638)	(9,090)	(6,638)	(9,090)
Lease payments	5.45	29	0	(176)	0
Dividend payments	5.39	(3,017)	(3,029)	(3,017)	(3,029)
Total outflows from financing activities (c)		**(9,626)**	**(12,119)**	**(9,831)**	**(12,119)**
Net increase/ (decrease) in cash and cash equivalents from the beginning of the period (a) + (b) + (c)		**(1,182)**	**(11,243)**	**(5,463)**	**(11,224)**
Cash and cash equivalents at start of period	**5.35**	**74,608**	**85,851**	**22,746**	**33,970**
Cash and cash equivalents at end of period	**5.35**	**73,426**	**74,608**	**17,283**	**22,746**

Any differences between the amounts in the financial statements and the corresponding amounts in the notes are due to rounding.

The notes in chapter 5 form an integral part of the annual financial statements of 31.12.2019.

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5. NOTES TO THE 2019 ANNUAL FINANCIAL STATEMENTS

5.1. General information about the Company and its subsidiaries

The Company "HELLENIC EXCHANGES-ATHENS STOCK EXCHANGE S.A. (ATHEX)" with the commercial name "ATHENS STOCK EXCHANGE" was founded in 2000 (Government Gazette 2424/31.3.2000) and has General Electronic Commercial Registry (GEMI) No 3719101000 (former Companies Register No 45688/06/B/00/30). Its head office is in the Municipality of Athens at 110 Athinon Ave, Postal Code 10442. The shares of the Company are listed in the Main Market segment of the Athens Exchange cash market.

The ATHEX Group, despite being the entity operating the market for derivative financial products, and possessing the systems (OASIS, DSS) through which transactions in derivative products take place, does not use such products for its own account. Following the approval (decision 20153/15.7.2010) by the Athens Prefecture for the spin-off of the clearing of trades at ATHEX business from HELEX and its contribution to ATHEXClear, in accordance with Law 2166/1993, starting on 16.7.2010 ATHEXClear clears trades at Athens Exchange. ATHEXClear, a subsidiary of the Company, is a central counter-party and performs the clearing for every trade, but does not report these trades. The margin deposited to an account belonging to investors, managed by the Member and blocked in favor of ATHEXClear is not reported in the financial statements.

The various types of guarantees that ATHEXClear and the Athens Exchange receive from their Members, in order to acquire and maintain their capacities in the Cash and Derivatives markets are reported.

The annual financial statements of the Group and the Company for 2019 have been approved by the Board of Directors on 30.03.2020. The financial statements have been published on the internet, at www.athexgroup.gr. The six month and the annual financial statements of the subsidiaries of the Group ATHEXCSD and ATHEXClear are published at www.athexgroup.gr, even though they are not listed on the Athens Exchange.

5.2. Basis of preparation of the Company and Consolidated annual financial statements for 2019

The company and consolidated annual financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board (IASB) and their interpretations as issued by the International Financial Reporting Interpretations Committee (IFRIC) of IASB and adopted by the European Union and are mandatory for fiscal years starting on 1.1.2019. There are no standards and interpretations of standards that have been applied before the date they go into effect.

The attached financial statements have been drafted on the basis of historical cost as modified by the revaluation of specific assets, equity and liabilities to fair values (commercial securities portfolio, assets available for sale) and the principle of "going concern".

The preparation of financial statements in accordance with the International Financial Reporting Standards requires that the Management of the Group make important assumptions and accounting estimates that affect the balances of the Asset and Liability accounts, the disclosure of contingent claims and liabilities on the preparation date of the Financial Statements, as well as the revenues and expenses presented in the fiscal year in question. Despite the fact that these estimates are based on the best possible knowledge of the management of the Company as regards the current conditions, actual results may differ from these estimates in the end.

Estimates and judgments are continuously evaluated, and are based on actual data and other factors, including anticipation of future events that are to be expected under reasonable conditions.

The sectors that require a higher degree of judgment and where the assumptions and estimations are significant for the Financial Statements are noted below:

Going concern

Management examines the main financial data and, on occasion, the fulfillment of medium term budgets, together with the existing loan conditions, if available, in order to arrive at the conclusion that the assumption of going concern is appropriate for use in preparing the annual financial statements of the Group and the Company.

The positive evaluation of the program by the institutions and the full lifting of capital controls is helping to gradually restore a healthy economic climate and environment in Greece. The Companies of the Group are well placed in the local and international capital market and well organized in order to successfully overcome any difficulties they face.

The companies of the Group are ready to implement their contingency plans, including the implementation of business continuity measures, in order to ensure operational continuity in accordance with existing legislation.

The rapid spread of the coronavirus (COVID-19) disease, finds the world financial system and business to a large degree unprepared. The world economy is entering a period of uncertainty and instability, the consequences of which are difficult to estimate based on the facts so far. The financial consequences will depend on the duration, the intensity and the spread of the disease in Greece and across the world.

Based on existing conditions, a significant slowdown of the European and Greek economy is considered quite likely. The violent share price drop and existing uncertainty are expected to have a negative impact during the year, especially for new listings and capital increases (rights issues) as well as – to a lesser degree – to market turnover, which is in part supported by the increased volatility that uncertainty brings.

The Group has taken specific protection measures against the coronavirus (cancellation of both internal and external events, suspension of professional and personal travel, extensive remote work, virus check for staff, hygiene instructions and care), in accordance with the guidelines of the Greek government and the World Health Organization (WHO). By utilizing our technological superiority and infrastructure, we have created a strong crisis response mechanism, which ensures both seamless business continuity and systems security (including cyber security and data protection systems in a remote work environment).

The safety and well-being of our staff, our customers and of exchange community is the primary objective of the Athens Exchange Group, and is at the heart of our daily operation. Based on our experience in crisis and risk management, we have implemented various preventive measures that ensure not only the maximum possible protection for all stakeholders, but also continuous operation and long-term sustainability.

5.3. Basic Accounting Principles

The basic accounting principles adopted by the Group and the Company for the preparation of the attached financial statements are as follows.

5.3.1. Basis for consolidation

(a) Subsidiaries

The Consolidated Financial Statements include the Financial Statements of the Group and its subsidiaries. Subsidiaries are all companies (including special purpose vehicles) whose operation the Group controls. The Group controls a company when it is exposed to, or has rights to, various returns of the company due to its participation in it, and has the ability to affect these returns through its authority over the company.

Subsidiaries are fully consolidated from the date that control is transferred to the Group and cease being consolidated from the date that this control no longer exists.

The Group is using the acquisition method to account for business combinations. The acquisition price for a subsidiary is calculated as the total of the fair values of the assets transferred, liabilities assumed and participation titles issued by the Group. The consideration of the transaction also includes the fair value of the assets or liabilities that arise from a contingent consideration agreement.

In a business combination the costs related to the acquisition are expensed. The identifiable assets acquired, the liabilities and contingent liabilities are measured at fair value on the acquisition date. In case of a non-controlling participation, the Group either recognizes it at fair value, or at the equity share value of the company acquired.

If an acquisition takes place in stages, the book value of the assets of the company that is acquired and possessed by the Group on the acquisition date is revalued at fair value. The profit or loss from the revaluation at fair value is recognized in the profit and loss statement.

Each contingent consideration provided by the Group is recognized at fair value on the acquisition date. Subsequent changes in the fair value of the contingent consideration, which is considered an asset or a liability, are recognized either in accordance with IAS 39, in the profit and loss statement, or as a change in other comprehensive income. The contingent consideration that is classified as an asset is not revalued and subsequent arrangements take place in equity.

Goodwill initially recognized in the acquisition cost is the excess amount from the total consideration that was paid and the amount recognized as a non-controlling participation, against the net assets that were acquired and the liabilities assumed. Provided that the fair value of assets is greater than the total consideration, the profit from the transaction is recognized in the Statement of Comprehensive Income.

Following the initial recognition, goodwill is measured at cost minus accumulated impairment losses. For the purposes of an impairment test, goodwill created from company acquisitions is distributed after the acquisition date to each cash generating unit of the Group that is expected to benefit from the acquisition, irrespective on whether the assets or liabilities of the acquired firm are transferred to that unit.

If goodwill is allocated to a cash generating unit and part of the activity of that unit is sold, goodwill associated with that part of the activity is included in the book value when determining profit and loss from the sale. In that case, goodwill sold is calculated based on the relative values of the activity sold and the part of the cash flow generating unit that is maintained.

Any losses are distributed to non-controlling participations, even if the balance becomes negative.

In the Statement of Financial Position of the Company, investments in subsidiaries are shown at the acquisition value less any impairment losses. The acquisition value is adjusted in order to incorporate the changes in the consideration from the changes in the contingent consideration.

The financial statements of the subsidiaries are prepared on the same date and use the same accounting principles as the parent Company. Intra-group transactions, balance and accrued profits/ losses in transactions between the companies of the Group are eliminated.

(b) Changes in the participation in subsidiaries without change in control

Transactions with non-controlling participations that result in control of a subsidiary by the Group being maintained are considered equity transactions, i.e. transactions between owners. The difference between the fair value of the consideration paid and the part of the book value of the net assets of the subsidiary company that has been acquired is also recognized in equity.

(c) Sale of subsidiaries

When the Group ceases to have control, any remaining participation is revalued at fair value, while any differences that arise compared to the book value is recognized in the results. Then the asset is recognized as an associate company, joint venture or financial asset at that fair value.

In addition, relevant amounts previously recognized in other comprehensive income concerning that company, are accounted using the same method that the Group would have used in case the assets or liabilities had been liquidated, i.e. they may be transferred to the results.

(d) Participation in affiliated companies

Affiliates are the companies in which the Group exercises material influence under the provisions of IAS 28 but does not exercise control. In general, material influence arises when the Group holds between 20% and 50% of the voting rights. The existence and influence of potential voting rights that are directly exercisable or convertible is taken into account in the assessment of the exercise of material influence by the Group.

Investments in affiliated companies are valued using the equity method. Investments in affiliated companies are initially recorded in the Statement of Financial Position at cost, which is increased or decreased by the proportion of the Group in the results of the affiliated company after the acquisition date. The Group checks on each reporting date, whether there is an indication that an investment in an affiliate is impaired. If there is such an indication, an impairment test is performed, comparing the recoverable amount of the investment with the book value of the investment. If the book value of the investment exceeds its recoverable value, the book value is reduced to the recoverable value.

Impairment losses recognized in previous fiscal years, may be reversed only if there is a change in the assumptions used to determine the recoverable amount of the investor, since the last time that an impairment loss was recognized. In that case, the book value of the investment is increased to the recoverable amount and the increase is a reversal of the impairment loss.

The share of the Group in the results of the affiliated company is recognized in the consolidated Profit & Loss Statement and the share in the reserves is recognized in the reserves of the Group. The accumulated changes in the reserves / results adjust the book value of the investment in the affiliated company. When the share of the Group in the losses of an affiliated company is equal to, or exceeds the participation amount in it, the Group does not recognize any further losses, unless it has incurred obligations, or made payments on behalf of the affiliated company.

Significant gains and losses from transactions between the affiliated company and the Group are eliminated by the percentage held by the Group in it.

Gains or losses from the sale of stakes in affiliated companies are recognized in the Consolidated Profit & Loss Statement. If there is a loss of substantial influence in an affiliated company, the Group measures at fair value any remaining investment in the affiliated company. The difference between the book value of the investment and the fair value on the date the substantial influence was lost is recognized in the results. The fair value of the company that ceases being affiliated, is considered to be the fair value that was determined when the investment was recognized as a financial asset.

5.3.2. Conversion of foreign currencies

Functional and presentation currency

The data in the Financial Statements of the companies of the Group are measured in the currency of the financial environment in which each company functions (functional currency). The consolidated Financial Statements are presented in euro, the functional currency of the parent company.

Transactions and balances

Transactions in foreign currency are converted to the functional currency using the exchange rates in effect on the date of the transactions. Profits and losses that arise from the settlement of transactions in foreign currency, as well as from the valuation, at the end of the fiscal year, of the currency assets and liabilities that are expressed in foreign currency, are booked in the Statement of Comprehensive Income. Foreign exchange differences from non-currency assets that are valued at fair value are considered part of the fair value and are therefore booked just like differences in fair value.

5.3.3. Tangible assets

Investments in real estate

Investments in real estate are those assets which are owned either for rental income or for capital gains or both. Plots of land and buildings are the only investments considered investments in real estate.

Investments in real estate are initially measured at cost. Initial cost includes transaction expenses: professional and legal expenses, transfer taxes and other direct costs.

Following the initial measurement, investments in real estate are measured at cost minus accumulated depreciation and any impairments in value.

Transfers to investments in real estate only take place when the purpose of their use changes, as demonstrated with the end of their use, the start of a long term financial lease to third parties or the completion of their construction or development. Transfers from investments in real estate only take place when there is a change in use, as demonstrated by the start of their use by the Group or the start of development with the intent to sell.

For a transfer from investments in real estate that is presented at fair value to owner-occupied property, the cost of the property for subsequent accounting treatment (in accordance with IAS 16), is the acquisition cost minus accumulated depreciation.

Depreciation of investments in real estate (except plots of land which are not depreciated) is calculated using the straight line method for the duration of their useful life, which is estimated at 25 years.

The useful life of investments in real estate and their salvage values are revised annually. When the book value of investments in real estate exceeds their recoverable value, the difference (impairment) is recognized as an expense in the Statement of Comprehensive Income.

Tangible owner-occupied assets

Real estate (plots of land – buildings) belonging to fixed assets are recorded at their adjusted values, during the first application of IFRS, and subsequently at fair value which is based on estimated made by independent estimators, less future building depreciation. Estimations are made regularly in order for the fair value of the adjusted asset not to differ significantly from its accounting value.

Other tangible owner-occupied assets used are recorded in the financial statements at acquisition cost minus accumulated depreciation and any value impairment provisions. The acquisition cost includes all the direct expenses for the acquisition of the assets.

Later expenses are recognized as an increase in the book value of the tangible fixed assets or as a separate asset only if it is probable that future financial benefits will flow to the Group, and the cost can be reliably measured.

The cost of repairs and maintenance is recognized in the Statement of Comprehensive Income when incurred.

Depreciation of other tangible assets (except plots of land which are not depreciated) is calculated using the straight line method during their useful life.

The useful lives of tangible assets are shown below:

	Useful life after 1.1.2014
Buildings and construction	25 years ή 4%
Machinery	5 years ή 20%
Means of transportation	6.25 years ή 16%
Other equipment	5-10 years ή 20-10%

The useful life of tangible assets and their salvage values are revised annually. When the book value of the fixed assets exceeds their recoverable value, the difference (impairment) is recognized as an expense in the Statement of Comprehensive Income.

When tangible assets are retired or sold, the associated cost and the accumulated depreciation are eliminated from the relevant accounts at the time the asset is retired or sold, and the associated profits or losses are recognized in the Statement of Comprehensive Income.

5.3.4. Intangible assets

Intangible assets include software licenses valued at the acquisition cost minus accumulated depreciation and any impairment. Depreciation is calculated using the straight line method during the useful life of these assets, which is budgeted at 5 years.

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It is noted that the depreciation rate applied by the Group for development expenses – upgrade of its core systems is 20% for expenses capitalized starting on 1.1.2018 (note 5.30).

5.3.5. Impairment of non-financial assets

The Company and the Group examine at each date of the financial statements, whether there are impairment indications for non-financial assets. The book values of assets are revised for any impairment, whenever events or changed circumstances indicate that the book value may not be recoverable. When the book value of an asset exceeds its recoverable value, an impairment loss is recognized in the Statement of Comprehensive Income. The recoverable amount is calculated as the greater of the fair value less sale expenses and value-in-use.

The fair value less sale expenses is the amount that results from the sale of an asset in an independent transaction between informed and willing parties, after subtracting all direct additional sale expenses, while the value-in-use is the present value of the estimated future cash flows that are expected to occur from the continuous use of the asset and its disposal at the end of its useful life. In order to evaluate the impairment, assets are grouped at the lowest level for which there are discrete recognizable cash flows.

5.3.6. Financial instruments

A financial instrument is any contract that simultaneously creates a financial asset for one financial entity and a financial liability or participatory title for another financial entity.

Initial recognition and subsequent measurement of financial assets

Starting on 1 January 2018, financial assets are classified, when initially recognized, and subsequently measured at amortized cost, at fair value through other comprehensive income or at fair value through results. The classification of financial assets when initially recognized is based on the contractual cash flows of the financial assets and the business model within which the financial asset is kept.

Excluding client claims, the Group initially values a financial asset at fair value plus transaction costs, in case of a financial asset that is not valued at fair value through results. Client claims are initially valued at transaction cost as specified by IFRS 15.

In order to classify and value a financial asset (excluding equity securities) at amortized cost or at fair value through other comprehensive income, cash flows that constitute “exclusively principal and interest payments” on the outstanding balance of capital. This assessment is known as SPPI ("Solely Payments of Principal and Interest") criterion and is made at the level of the individual financial instrument.

Following initial recognition, financial assets are classified in three categories:

- At amortized cost
- At fair value through other comprehensive income
- At fair value through results

The Group and the Company do not possess assets that are valued at fair value through results on 31 December 2019.

Financial assets at amortized cost

Financial assets recorded at amortized cost are later valued based on the Effective Interest Rate (EIR) method and are subject to an impairment test of their value. Profits and losses are recognized in the results when the asset ceases to be recognized, modified or impaired.

Financial assets classified at fair value through comprehensive income

At initial recognition, the Group can choose to irrevocably classify participatory investments as participatory titles at fair value through comprehensive income when they fulfil the definition of equity position in accordance with

IAS 32 Financial instruments: Presentation, and are not held for trading. Classification takes place for each financial instrument individually.

Profits and losses from these financial assets are never recycled in profits or losses. Dividends are recognized as other revenue in the profit and loss statement when the right to payment has been established, unless the Group benefits from that revenue to recuperate part of the cost of the financial asset, in which case this income is recognized in the statement of comprehensive income. Equity instruments identified at fair value through comprehensive income are not subject to an impairment test.

The Group chose to classify the listed company shares in its possession in this category. In addition, the participation in Boursa Kuwait is classified in this category.

Impairment of financial assets

The Group and the Company evaluate at each reporting date information concerning whether the value of a financial asset or a group of financial assets has been impaired as follows:

For client claims and contractual assets, the Group and the Company apply the simplified approach to calculate expected credit losses. Therefore, on each reporting date, the Group and the Company measure the loss provision for a financial asset in an amount equal to the expected credit losses for the duration, without monitoring changes in credit risk. See Credit Risk in note 5.4.

Derecognition of financial assets

A financial asset (or part of a financial asset or part of a group of similar financial assets) is derecognized when:

- The rights to the inflow of cash resources have expired
- The Group or the Company retains the right to the inflow of cash flows from the financial asset, but has also assumed the obligation to pay them to third parties in full, without substantial delay, in the form of a transfer agreement, or
- The Group or the Company has transferred the right to the inflow of cash flows from the asset and at the same time has either (a) essentially transferred all risks and benefits from it, or (b) has not essentially transferred all risks and benefits, but has transferred control of the asset.

When the Group or the Company transfers the cash inflow rights from an asset or concludes a transfer contract, it assesses the extent to which it retains the risks and benefits of ownership of the asset. When the Group neither transfers nor substantially retains all risks and benefits of the asset being transferred and retains control of the asset, then the asset is recognized to the extent that there is continuous participation of the Group in that asset. In that case, the Group also recognizes a related obligation. The transferred asset and the related liability are measured on a basis that reflects the rights and commitments that the Group or the Company have retained.

Initial recognition and subsequent measurement of financial obligations

All financial liabilities are initially valued at fair value less transaction costs in case of loans and payables.

Derecognition of financial obligations

A financial obligation is deleted when the commitment resulting from the obligation is cancelled or expires. When an existing financial obligation is replaced by another one by the same creditor but with substantially different conditions, or the conditions of an existing obligation are substantially altered, this exchange or amendment is treated as a derecognition of the original obligation and a recognition of a new obligation. The difference in the corresponding accounting values is recognized in the income statement.

Offsetting financial claims and obligations

Financial claims and liabilities are offset and the net amount is shown in the statement of financial position only when the Group or the Company has a legal right to do so and intends to offset them on a net basis between them or claim the asset and settle the obligation at the same time. The legal right must not depend on future events and must be able to be enforced in the normal course of the work even in the event of default, insolvency or bankruptcy of the company or counterparty.

5.3.7. Other long term claims

Other long term claims may include rent guarantees, guarantees to utilities (OTE, PPC etc.) and other long term duration amounts. Other long term claims are valued at book value using the real interest rate method.

5.3.8. Clients and other trade receivables

Client receivables are initially recognized at fair value, and subsequently valued at amortized cost using the real interest rate, less any impairment losses. On each financial reporting date, all past due or doubtful debts are evaluated in order to determine whether or not a provision for doubtful debts is required. The balance of the particular provision for doubtful debts is appropriately adjusted on each closing date of the financial statements in order to reflect the possible risks.

It is the policy of the Group almost never to write-off any such claims until all possible legal recourse for their collection has been exhausted. Commercial and other short term client claims and debtors are usually settled by the Group and the Company within 60 days, while if they become past due, no late payment fees are charged to clients.

5.3.9. Cash and cash equivalents

Cash and cash equivalents include cash at hand, sight deposits and short term (up to 3 months) investments, having high liquidity and low risk.

For the purposes of preparing the Statement of Cash Flows, cash assets consist of cash and bank deposits, as well as cash equivalents as described above.

5.3.10. Third party balances in ATHEXClear bank accounts

In order to comply with the corporate governance framework defined by Regulation (EU) 648/2012 of the European Parliament and Council (EMIR Regulation), the Company keeps all cash collateral that are being managed by the Company and concern the cash market and the derivatives market, as well as its own cash balances, in an account that it maintains at the Bank of Greece as a direct participant over the internet to the TARGET2-GR Express Transfer of Capital and Settlement System in real time (TARGET2-GR).

Therefore, its own cash balance and the balances of third parties (margins) are deposited in the same account that ATHEXClear maintains at the Bank of Greece, and as a result a separation of the assets is necessary in order for the collateral that ATHEXClear collects to be shown separately in the current assets of 30.06.2019 and 31.12.2018. In the Statement of Financial Position of 30.06.2019 and 31.12.2018, they are reported as equal amounts in both current assets and short term liabilities as "third party balances at the bank account of the company" and concern exclusively the margins in the derivatives market that were deposited in the bank account maintained by ATHEXClear at the BoG on 31.12.2019 and 31.12.2018 respectively.

5.3.11. Share Capital

Share capital includes the common stock of the Company that has been issued and is in circulation.

Treasury stock concerns the shares of the Company (EXAE) that are purchased on the Exchange by the Company or subsidiary of the Group, following a decision by the Annual General Meeting of shareholders. The acquisition cost as well as the associated expenses of acquiring treasury stock is, in accordance with IFRS, shown in equity, reducing share capital.

The acquisition cost of treasury stock is shown as reducing Company equity, up until the treasury stock is sold or cancelled.

5.3.12. Current and deferred income tax

Current and deferred tax is calculated based on the Financial Statements in accordance with the tax laws in effect in Greece. Income tax is calculated based on the profits of each company as adjusted in their tax declarations, any additional income tax that is assessed by the tax audits of the tax authorities, and from deferred income taxes based on the enacted tax rates.

Deferred income tax is determined using the liability method and arises from the temporary differences between the book value and the tax basis of the assets and liabilities.

Deferred tax is not recognized when it arises at the initial recognition of an asset or a liability from a transaction that is not a business combination and at the time of the transaction it affects neither the accounting nor the taxable result (profit / loss).

Deferred tax is determined using the tax rates (and tax laws) that have been implemented or effectively implemented until the date of the Financial Statements and are expected to be implemented when the asset in question is recovered or the liability settled.

Deferred tax claims are recognized to the extent that there will be a future tax gain for the offset of the temporary difference that creates the deferred tax claim.

Deferred income tax is determined on the temporary differences that arise from investments in subsidiaries and associated companies, with the exception of the case when reversal of the temporary differences is controlled by the Group and it is probable that the temporary differences will not be reversed in the foreseeable future.

Deferred tax claims and liabilities are offset when there is a legally enforceable right to offset current tax claims and liabilities, and when the deferred tax claims and liabilities concern income tax that is imposed by the same tax authority either to the same taxable entity or to different taxable entities when there is the intention to settle the balances on a net basis.

The tax rate used in the financial statements for fiscal year 2019 was 24%; for fiscal year 2018 the rate of 29% was used.

5.3.13. Employee benefits

Current benefits

Current benefits to employees in cash and in kind are recognized as an expense when they accrue.

Staff retirement obligations

Staff retirement obligations include both defined contributions plans as well as defined benefits plans.

Defined contribution plan

Under the defined contributions plan, the obligation of the company (legal) is limited to the amount agreed to be contributed to the organization (social security fund) which manages the contributions and grants the benefits (pensions, health care etc.).

The accrued cost of the defined contributions schemes is recognized as an expense in the corresponding period.

Defined benefits plan

The defined benefits plan of the Group concerns its legal obligation to pay a lump sum indemnity to each employee upon retirement.

The liability recognized in the Statement of Financial Position for this plan is the present value of the obligation for the defined benefit depending on the accrued right of the employees and in relation to the specific point of time that this benefit is expected to be paid.

The present value of the defined benefit liability is calculated by discounting the future cash outflows with a discount rate equal to the interest rate of long-term, high credit rating corporate bonds that have a duration approximately equal to the pension plan.

The actuarial profits or losses that arise from the adjustments based on historical data are directly recognized in Other Comprehensive Income (note 5.20).

5.3.14. Government grants

Government grants related to the subsidy of tangible assets are recognized when there is reasonable assurance that the grant will be collected and that the Company will comply with the terms and conditions that have been set for payment. When government grants are related to an asset, the fair value is recorded in long term liabilities as deferred revenue and is transferred to the Statement of Comprehensive Income in equal annual installments based on the expected useful life of the relevant asset that was subsidized. When the grant is related to an expense, it is recognized as revenue in the fiscal year required in order for the grant to correspond on a systematic basis to the expenses it is intended to compensate. Grant depreciation is recorded in "Other Revenue" in the Statement of Comprehensive Income.

5.3.15. Provisions and contingent liabilities

Provisions are recognized when:

- the Company has a current commitment (legal or inferred) as a result of a past event;
- it is likely that an outflow of resources incorporating financial benefits will be required to settle the commitment and it is possible to reliably estimate the amount of the commitment.

Provisions are re-examined on the preparation date of the financial statements and are adjusted so as to reflect the best possible estimates.

If the effect of the time value of money is significant, provisions are recognized on a discounted basis by using an interest rate before taxes that reflects current market estimates about the time value of money and the risks associated with the liability. When provisions are discounted, the increase in the provision due to the passage of time is recognized as a borrowing cost.

Contingent liabilities are not recognized in the financial statements, but are published, unless the possibility of an outflow of resources which incorporate financial benefits is minimal. Contingent claims are not recognized in the financial statements, but are published provided the inflow of economic benefit is likely (note 5.41).

5.3.16. Revenue Recognition

Revenue includes the fair value of the transactions, net of any taxes recovered, rebates and returns. Intragroup revenue within the Group is eliminated in full. Revenue is recognized to the extent that it is possible that the economic benefits will flow to the Group and the relevant amounts can be reliably measured.

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

- Recognition of client contracts
- Recognition of the terms of the contracts
- Determination of the price of the transaction
- Allocation of the price of the transaction according to the terms of the contracts
- Revenue recognition when the Company fulfills the terms of the contracts

Clients are invoiced based on the agreed-upon payment timeframe and the consideration is paid when invoiced. When the invoice time differs from the fulfilment time of the obligation, the Group recognizes contract assets and contract obligations (see note 5.38).

The following specific recognition criteria must also be satisfied when revenue is recognized:

Revenue from shares, bonds, ETFs (Trading, Clearing & Settlement)

Concerns Member subscriptions based on trades in the cash market.

Revenue from stock, bond etc. trading is recognized at the time the transaction is concluded and clearing and settlement take place at the Exchange.

Collection for trading in the cash market takes place on the day following trade settlement or the third working day of the following month, provided the Member submits such a request.

Revenue from derivative products

Concerns Member subscriptions based on trades in the derivatives market.

Revenue from the derivatives market is recognized at the time the transaction is cleared at Athens Exchange through ATHEXClear, the transactions clearing entity.

Collection for trading in the derivatives market takes place on the day following settlement.

Revenue from Members (fees)

Concerns Member subscriptions and IT services to Members.

Revenue is recognized when the Members are invoiced at the end of each month or quarter in question.

Revenue from listed companies

Revenue concerning subscriptions, one-off fees, company listings, rights issues, and HERMES System services, are recognized at the time the relevant invoices are issued, when the corporate action is completed. Subscriptions are recognized as revenue at the beginning of each quarter.

As part of IFRS 15, revenue from new listings at ATHEX, as well as rights are recognized and allocated to the duration that the company remains listed at ATHEX, during which the service is expected to be provided. As such, a “Contract Obligation” is recognized for future fiscal years in the Statement of Financial Position.

Revenue from market data vendors

Revenue from this source is recognized at the time of invoicing, together with the completion of the provision of that service.

IT services

Revenue from IT services is recognized at the time the service provided is completed. IT services concern the Exchange trading network and DSS terminal licenses.

Other services

Revenue from other services concern education, rents and the provision of support services, and is recognized at the time the service provided is completed.

Interest income

Interest income is recognized on an accrual basis and with the use of the real interest rate. When there is an impairment indication about claims, their book value is reduced to their recoverable amount, which is the present value of the expected future cash flows, discounted by the initial real interest rate. Next, interest is assessed at the same interest rate on the impaired (new book) value.

Dividends

Dividend income is recognized when the right to collect by the shareholders is finalized; that is, on approval by the General Meeting.

5.3.17. Commercial and other liabilities

Supplier balances and other liabilities are recognized at the cost associated with the fair value of the future payment for the purchase of services provided. Commercial and other short term liabilities are not interest bearing and are usually settled within 60 days by the Group and the Company.

5.3.18. Expenses

Expenses are recognized in the Statement of Comprehensive Income (“Income Statement”) on an accrued basis.

Dividend distribution

The distribution of dividends to shareholders is recognized directly to equity, net of any relevant income tax benefit (until the approval of the financial statements), and is recorded as a liability in the financial statements when distribution is approved by the General Meeting of shareholders.

5.3.19. Profits / (losses) per share

Basic profits / (losses) per share are calculated by dividing the net profits / (losses) that correspond to the shareholders of the parent company by the average weighted number of shares that are in circulation during each year, excluding the average of the common stock that was acquired by the Group as treasury stock.

Adjusted profits / (losses) per share are calculated by dividing the net profit that is distributed to Parent company shareholders (after it is adjusted for the effects of all potential shares that dilute participation) by the weighted average number of shares in circulation during the year (adjusted for the effect of all potential shares that dilute participation), excluding the average of the common stock that was acquired by the Group as treasury stock.

5.3.20. Research and development

Expenditures for research activities that take place with the intention of the Group to acquire new technical knowledge and expertise are recognized in the Statement of Comprehensive Income as an expense when they occur. Development activities presuppose the drafting of a study or a plan for the production of new or significantly improved products, services and processes. Development costs are capitalized only when the cost of development can be reliably measured, the product or the process is productive, feasible technically and commercially, future financial benefits are expected, and the Group has the intention, having at the same time sufficient means at its disposal, to complete the development and use or sell the asset.

The capitalization of expenditures includes the cost of direct consulting service expenses, direct work performed and the appropriate share of general expenses. Other development costs are recognized in the Statement of Comprehensive Income as an expense when they occur.

Development costs that have been capitalized are valued at the acquisition cost less accumulated depreciation and accumulated impairment losses. On 31.12.2019 there were no impairment indications.

Subsequent expenditures are capitalized only when they increase the expected future economic benefits that are incorporated in the specific asset to which they refer. All other expenditures, including expenditures for internally created surplus value and trademarks, are recognized in the Statement of Comprehensive Income.

Depreciation is recognized in the Statement of Comprehensive Income using the straight line method for the duration of the useful life of the intangible assets, starting on the date they are available for use. The useful life for the current and the comparative period in the capitalization of development costs is 10 years until 31.12.2017, while for capitalized development costs starting on 1.1.2018 a 5-year period is used.

The profit or loss that arises from derecognizing an intangible asset is determined as the difference between the net disposal proceeds, if they exist, and the book value of the asset. This profit or loss is recognized in the Statement of Comprehensive Income when the asset is derecognized.

5.3.21. Leases

The determination of whether an arrangement contains a lease or not is based on the substance of the transaction on the date the relevant contract is concluded, namely on whether fulfilment of the arrangement depends on the use of one or more assets or whether the arrangement assigns the right to use the asset. Starting on 1.1.2019 the new IFRS 16 “Leases” is applied.

The Group as lessee

Accounting policy until 1.12.2018:

Asset leases by third parties where the Group does not assume all risk and asset ownership benefits are treated as operating, and the lease payments are recognized as an expense in the statement of comprehensive income on a consistent basis during the lease.

Accounting policy from 01.01.2019:

In accordance with the new IFRS 16, starting on 1.1.2019 the leases of the group are treated using the modified retroactive approach (notes 5.3.23).

The Group as lessor

Asset leases to third parties where the Group does not transfer all risks and asset ownership benefits are treated as operating, and the lease payments are recognized as revenue in the income statement on a consistent basis during the lease.

Initial direct costs incurred by lessors during the negotiation of an operating lease are added to the book value of the leased asset and are recognized over the lease duration on the same basis as the lease revenue.

The Group and the Company lease office space and automobiles. These leases are treated as operating leases.

5.3.22. Determination of fair value

The fair value of a financial asset is the price that someone would obtain from the sale of an asset, or someone would pay for transferring the obligation in a real transaction between market participants on the measurement date. The fair value of financial assets in the financial statements on 31 December 2019 was determined using the best possible estimates by management. When there is no data available, or data from active markets is limited, the fair value valuations are derived from management estimates in accordance with available information.

The Group makes the required disclosures concerning fair value measurement through a three-tier hierarchy:

Tier 1: Traded (non-adjusted) prices in active markets for similar assets or liabilities,

Tier 2: Other techniques for which all inflows that have a significant impact in recorded at fair value are observable, either directly or indirectly,

Tier 3: Techniques that use data that have a significant impact on the recorded fair value and are not based on observable market data.

The following tables present the financial assets that are measured at fair value, classified by fair value tier.

The financial assets that are measured at fair value on 31 December 2019 are as follows:

	Tier 1	Tier 2	Tier 3
Asset items			
Owner occupied tangible assets (Plots of land – buildings)			20,658
Financial assets at fair value through other income	1,998	1,039	

The financial assets that are measured at fair value on 31 December 2018 are as follows:

	Tier 1	Tier 2	Tier 3
Asset items			
Owner occupied tangible assets (Plots of land – buildings)			21,989
Financial assets at fair value through other income	561		

As mentioned in note 5.29, the Group on 31.12.2018 performed an independent assessment of the properties by independent, recognized assessors.

During the fiscal year there were no transfers between tiers 1 and 2, nor transfers into and out of tier 3 when measuring fair value. In addition, during the same period there was no change in the purpose of any financial asset that would lead to a different classification of that asset.

The amounts with which cash & cash equivalents, claims and short term liabilities are shown in the Statement of Financial Position approach their corresponding fair values due to their short term maturity. As a result, there are no differences between fair values and the corresponding book values of financial assets and liabilities. The Company does not use financial derivative products.

5.3.23. Significant estimates and judgement

The sectors that require a higher degree of judgment and where the assumptions and estimations are significant for the Financial Statements are noted below:

Income tax

Current tax obligations, both for the current as well as for previous fiscal years, are calculated based on the amounts that are expected to be paid to the tax authorities, using the tax rates that have been legislated up until the date of the Statement of Financial Position. Income tax in the income statement includes the tax for the current year, as expected to be declared in the income tax declaration, as well as estimated additional taxes that may be imposed by the tax authorities during the auditing of the unaudited fiscal years. These assumptions take into consideration past experience and an analysis of current facts and circumstances. As such, the final income tax settlement may deviate from the income tax booked in the financial statements.

If the final tax is different than the amount initially recognized, the difference will affect the income tax in the fiscal year the determination of the tax differences takes place (note 5.43).

Provisions for doubtful claims

Management applies the simplified approach of IFRS 9 to estimate expected credit losses, in accordance with which, an impairment loss provision is estimated based on expected credit losses for the duration of the client claims (note 5.33).

The Group and the Company have formed a provision for doubtful claims in order to adequately cover the loss that may be reliably measured and arises from these claims.

Because of the large number of clients, it is not practical to consider the collection of each account separately, and as such, on each financial reporting date, all claims are estimated on the basis of historical trends, as well as estimates on current and future market conditions (note 5.33).

(Amounts in thousand euro, unless otherwise noted) 113

Useful lives of tangible and intangible assets - Valuation

Management makes certain estimates concerning the useful life of depreciable assets. These remaining useful lives are periodically reexamined in order to estimate whether they continue to be appropriate. In addition, management evaluates market conditions in the real estate market and makes estimates regarding their valuation (notes 5.29, 5.30 & 5.31).

Defined benefits plans

The cost of the benefits for defined benefits plans is calculated using actuarial estimates, which in turn use assumptions about the discount rates, the rate of salary increases, and mortality rates. Due to the long term nature of these plans, these assumptions are subject to significant uncertainty, and are reevaluated on each reporting date.

Management strives to estimate in the best possible manner these parameters on every reporting date when this provision is revised (note 5.20).

Impairment check for participations

The Company carries out an impairment check of its participations when there are impairment indications. In order to perform an impairment check a determination of the value-in-use of the subsidiaries takes place. The determination of the value in-use requires that the future cash flows of each subsidiary be estimated and the appropriate discount rate chosen, based on which the present value of the above future flows is determined (note 5.32).

Deferred tax claims

Deferred tax claims are recognized for all deductible temporary differences and tax losses carried forward to the extent that it is probable that taxable profits will be available in the future to be used against those deductible temporary differences and tax losses carried forward. Important estimates by management are required in order to ascertain the size of the deferred tax claim that may be recognized, based on the possible time and size of future taxable profits in conjunction with the tax planning of the entity (note 5.37).

Contingent liabilities

The existence of contingent liabilities requires that management constantly make assumptions and value judgments regarding the possibility that future events may or may not occur, as well as the effect that these events could have on the activity of the Group (note 5.40).

Based on historical date, the analysis of the average duration that a company remains listed on the exchange compared to all listed companies, as well as its experience, the management of the Group determines the estimated average duration of a listing on the exchange, during which it will continue to provide its services. Obviously, this assessment contains an element of uncertainty in relation with the length of the listing, as it takes into consideration factors which cannot be affected by the Group. The assessment of the length of time that the services will be provided by the Athens Exchange is regularly adjusted, in order to be as close to reality as possible.

Capitalization of development expenses

Development costs are capitalized only when the cost of development can be reliably measured, the product or the process is productive, feasible technically and commercially, future financial benefits are expected, and the Group has the intention, having at the same time sufficient means at its disposal, to complete development and use or sell the asset.

The capitalization of expenses includes strictly the cost of direct expenses, direct work and the appropriate share of general expenses. Development costs that have been capitalized are valued at the acquisition cost minus accumulated depreciation and accumulated impairment losses. Later expenses are capitalized only when they increase the expected future economic benefits that are incorporated in the specific asset to which they refer. They are depreciated in 5 years (20%).

Revenue from new listings and changes in share capital

In the context of IFRS 15, revenue from new listing at ATHEX as well as other corporate actions, is recognized based on estimates, which are based on an analysis of historical data concerning the time companies remain listed on ATHEX. This estimate has a degree of uncertainty as to the accuracy of calculating the length of time companies remain listed at ATHEX and depends on factors which are not under the control of the Company. Management re-estimates the expected length of time companies remain listed at ATHEX on each reporting date, in order to reflect the best estimate.

5.3.24. New standards, amended standards and interpretations

New standards, amendments to standards and interpretations: Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning on or after 1 January 2019. The Group's evaluation of the effect of these new standards, amendments to standards and interpretations is as follows:

Standards and Interpretations effective for the current financial year

IFRS 16 *"Leases"*

IFRS 16 has been issued in January 2016 and supersedes IAS 17. The objective of the standard is to ensure the lessees and lessors provide relevant information in a manner that faithfully represents those transactions. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. The effect of this standard on the Group is described in note 5.30.

IFRS 9 (Amendments) *"Prepayment Features with Negative Compensation"*

The amendments allow companies to measure particular prepayable financial assets with so-called negative compensation at amortized cost or at fair value through other comprehensive income if a specified condition is met instead of at fair value through profit or loss.

IAS 28 (Amendments) *"Long term interests in associates and joint ventures"*

The amendments clarify that companies account for long-term interests in an associate or joint venture, to which the equity method is not applied, using IFRS 9.

IFRIC 23 *"Uncertainty over income tax treatments"*

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

IAS 19 (Amendments) *"Plan amendment, curtailment or settlement"*

The amendments specify how companies determine pension expenses when changes to a defined benefit pension plan occur.

Annual Improvements to IFRS (2015 – 2017 Cycle)

The amendments set out below include changes to four IFRSs.

- **IFRS 3 "Business combinations"**
  The amendments clarify that a company remeasures its previously held interest in a joint operation when it obtains control of the business.

- **IFRS 11 "Joint arrangements"**
  The amendments clarify that a company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.

- **IAS 12 "Income taxes"**
  The amendments clarify that a company accounts for all income tax consequences of dividend payments in the same way.

- **IAS 23 "Borrowing costs"**
  The amendments clarify that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

Standards and Interpretations effective for subsequent periods

IFRS 3 (Amendments) *"Definition of a business"* (effective for annual periods beginning on or after 1 January 2020)

The amended definition emphasizes that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and others. The amendments have not yet been endorsed by the EU.

IAS 1 and IAS 8 (Amendments) "Definition of material" (effective for annual periods beginning on or after 1 January 2020)

The amendments clarify the definition of material and how it should be applied by including in the definition guidance which until now was featured elsewhere in IFRS. In addition, the explanations accompanying the definition have been improved. Finally, the amendments ensure that the definition of material is consistent across all IFRS.

IFRS 9, IAS 39 and IFRS 7 (Amendments) 'Interest rate benchmark reform' (effective for annual periods beginning on or after 1 January 2020)

The amendments modify some specific hedge accounting requirements to provide relief from potential effects of the uncertainty caused by the IBOR reform. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties.

IAS 1 (Amendment) 'Classification of liabilities as current or non-current' (effective for annual periods beginning on or after 1 January 2022)

The amendment clarifies that liabilities are classified as either current or non-current depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date. The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability. The amendment has not yet been endorsed by the EU.

5.3.25. Rounding

Any differences between the amounts in the financial statements and the corresponding amounts in the notes are due to rounding.

5.4. Risk Management

General – Risk management environment

A major consideration of the Athens Exchange Group is the management of risk that arises from its business activities.

The Group, as organizer of the capital market, has developed a framework for managing the risks to which it is exposed, ensuring its viability and development, and contributing to the stability and security of the capital market. In particular, Athens Exchange Clearing House (ATHEXClear) is part of the Group; ATHEXClear operates as a Central Counterparty (CCP) for clearing cash and derivative markets products and as such is obliged to satisfy the strict requirements of the current regulatory framework EMIR (European Market Infrastructure Regulation) concerning risk management in accordance with which it has been licensed since 2015.

Hellenic Central Securities Depository (ATHEXCSD) is also part of the Group, and is in the final stage of aligning itself with the European regulatory framework of Central Depositories CSDR. As part of this project, the Group reorganized its supervisory operations, integrating risk management into a centralized operation of the Group, reporting to the Board of Directors.

During the current year, the internal and external regulatory and legal framework for risk management, concerns that which ATHEXClear is directly subject to and the Group indirectly with regards to their obligations to monitor and manage risk, includes the Regulation of Clearing of Transferable Securities Transactions in Book Entry Form, the Regulation for Clearing Derivatives Transactions and Regulation (EU) 648/2012 of the European Parliament and Council of July 4th 2012 for OTC derivatives, central counterparties, and trade repositories, known as EMIR.

Risk Strategy and Risk Management

The risk strategy of the Group is aligned with its business strategy to provide the appropriate infrastructure for the reliable, secure and continuous operation of the capital market. In accordance with the strategy of the Group, the risk appetite level is set in order to correspond with the capital adequacy of the companies of the Group, satisfy the needs of the market, limit costs for participants, maximize the exploitation of business opportunities but also ensure market security and compliance with regulatory requirements.

Organizational structure

Besides the comprehensive measures for ensuring the smooth operation of the systems of the Group, each organizational unit of the Group is responsible for monitoring and managing potential risks in order to react quickly and effectively in case risk events arise.

Continuing the efforts of recent years, in 2019 efforts were made to strengthen the risk management function for the whole Group, in order for ATHEXClear to remain aligned with the EMIR regulation and to prepare ATHEXCSD for CSDR standards, and at the same time for the parent company ATHEX to follow international good practices.

In particular, for each company of the Group separately, the organizational structure that supports risk management includes the following units:

- *Board of Directors*, which has the final responsibility and accountability regarding the risk management function of the company. In particular, the BoD defines, determines and documents the appropriate risk tolerance level and ability of the company to assume risk. In addition, the BoD and senior executives ensure that company policies, procedures and controls are consistent with the risk tolerance level and the ability of the company to assume risk, and examine how the company recognizes, reports, monitors and manages risks.
- *Risk Committee*, which advises the Board of Directors on risk management matters.

- *Investments Committee of ATHEXClear*, which decides on limits and monitors liquidity risk, sets policies and standards for the investment strategy, financing principles, liquidity management, interest rate risk and its management.

- *Risk Management Department of the Risk Management & Clearing Division of ATHEXClear*, which is sufficiently independent from the other functions of the company, and whose main responsibility is the comprehensive approach to the risks that ATHEXClear faces in order to recognize them, calculate them and finally manage them. The Risk Management Department possesses the necessary authority, the necessary resources, expertise and access to all relevant information.

- *Risk & Compliance Unit of the Group*, headed by the Chief Risk Officer of the parent company ATHEX, which is responsible for the efficient and effective operation of the oversight functions of the Group. The staff of the unit cover the institutional roles of Chief Risk Officers (CROs) of ATHEX and ATHEXCSD, as well as the roles of Chief Compliance Officers (CCOs) of all of the companies of the Group, and thus cover all of their responsibilities while working in close collaboration with the audit functions of the Group, and in particular with the Internal Audit Division.

- *Risk Management Coordinating Committee*. The coordinating committee consists of the Chairman of the Risk Committees of the three companies of the Group, which are members of the corresponding Boards of Directors, and the Group Chief Risk Officer. The committee is chaired by the Chairman of the Risk Committee of the parent company, ATHEX. The goal of the committee is to coordinate the three companies in matters of risk strategy, risk appetite and control methods for risk tolerance, in order to multiply the benefits for each company separately, through the group operation of risk management.

- *Chief Risk Officer*, who on risk management matters reports to the Board of Directors through the Chairman of the Risk Committee and applies the risk management framework through the policies and procedures established by the Board of Directors.

- *Organizational Units* which are responsible for identifying and managing risks within their scope and participate in the overall risk management at the Group. In particular, the Risk Management Department of ATHEXClear and the Risk & Compliance Unit, monitor the risk levels of the Group on a continuous basis using the specific and approved risk management methods. The key assumptions, data sources and processes used in measuring and monitoring risk are documented and tested for reliability on a regular basis through the review and audit framework and the validation framework.

Single risk management

The services that the Group provides involve various types and levels of risk, and it is recognized that effective risk management consists of the following:

- *Identifying and assessing risks:* By analyzing the present and future activities of the Group, cases are recognized in which the Group is exposed to risks. The risks recognized are evaluated as to the potential exposure to loss. This includes in general the estimation of both the probability that the loss will occur, as well as the potential effects.

- *Controlling risks:* The arrangements for managing each risk are the key to effective risk management and it is important that they be understood by all personnel. In addition, management is responsible to ensure the proper implementation application of the single risk management and individual policies / frameworks.

- *Risk mitigation:* Management identifies the best method for risk mitigation, taking into consideration costs and benefits. As a general principle, the Group does not take risks that pose the possibility of catastrophic or significant losses. Likewise, insuring against losses that are relatively predictable and without a material impact is avoided. The alternatives for mitigating risk depend on the tolerance level of the Group against various risk types.

- *Monitoring and reporting risks:* The Group possesses a comprehensive system for reporting and monitoring risks which is differentiated by risk type and company of the Group. The Risk Management Units of the companies of the Group monitor the risk levels of each company on a continuous basis using specialized and approved risk management methods, under the coordination of the Risk & Compliance Unit of the Group. The main assumptions, the data sources and the processes used in measuring and monitoring risk are documented and tested for reliability on a regular basis through the review and audit and the validation framework.

Risk Categories

The Group ensures that it deals with all risks, internal or external, present or future, and especially those that have been recognized as significant. It is recognized that each service provided by the Group can expose it to any combination of the risks mentioned below.

The usual risks to which, due to the nature of its activities, the Group may be exposed to are:

Financial Risk

- Credit Counterparty risk (credit risk arising from the default of the clearing obligations by one or more clearing member counterparties)
- Market risk (changes in exchange rates, interest rates, market prices, commodities and volatility), mainly as a result of credit counterparty risk
- Credit risk (mainly from the investment of own assets)
- Liquidity risk (mainly cash flow risk), mainly as a result of counterparty risk

Operational Risk

Risk of loss resulting from inadequate or failed internal processes, people and systems or from external events, including legal risk. Risk corresponding to the security of the IT systems, as in the majority of companies, is now becoming very important, and appropriate measures to contain it are being taken.

Business Risk

Risk due to new competitors, drop in trading activity, worsening of the local and international economic situation etc.

Description of categories and main risk factors

Market risk

The Group may be exposed, to a limited degree, to market risk resulting from its activities. In each case, the Group monitors the potential exposure that may result in market risk and calculates any capital that it must maintain against market risk in accordance with the capital adequacy methodology that it uses. Possible losses from market risk may arise if there is a default of a clearing member (credit counterparty risk) as ATHEXClear is obliged to carry out close-out transactions to cover the positions of the defaulting member.

The rapid spread of the coronavirus (COVID-19) disease, finds the world financial system and business to a large degree unprepared. The world economy is entering a period of uncertainty and instability, the consequences of which are difficult to estimate based on the facts so far. The economic impact will depend on the duration, the intensity and the spread of the disease in Greece and across the world (see note 5.52).

Currency exchange risk: This risk does not materially affect the operation of the Group, given that transactions with clients and suppliers in foreign currency are limited.

Credit Counterparty Risk

The Group's credit counterparty risk mainly concerns transactions in the cash and derivatives markets, in which ATHEXClear operates as Central Counterparty.

ATHEXClear has received, based on decisions 5, 6 and 7/556/8.7.2010 of the Hellenic Capital Market Commission, a license to manage and operate systems to clear trades on dematerialized securities (Securities System) and derivatives products (Derivatives System). In this capacity, ATHEXClear assumes the risk that Clearing Members default on their obligations to clear and settle trades, as described in the Rulebooks (credit counterparty risk). In addition, as of 22 January 2015 has been licensed as a Central Counterparty under the EMIR regulation, and has a very strict framework for managing risk.

ATHEXClear has established and applies a range of mechanisms and financial resources to cover the risks that it assumes and the smooth operation of the system in general, in conjunction with the scope and scale of trades whose clearing it undertakes. The mechanisms that ATHEXClear applies are described in the "Regulation of Clearing of Transferable Securities Transactions in Book Entry Form," in the "Regulation on the Clearing of Transactions on Derivatives," as well as the relevant decisions of the ATHEXClear BoD.

In order to obtain the status of a Clearing Member, the Financial Services Firm or Bank must conform to the minimum specific financial and operational adequacy requirements, as specified in the Clearing Rulebooks; these requirements must be continuously fulfilled during the time the Member is in operation.

Both in the Cash Market, as well as for the Derivatives Market, ATHEXClear clears transactions in its capacity as Central Counterparty. In order to cover risk against its clearing members, ATHEXClear monitors and calculates on a daily basis (at end-of-day and also during the day in almost real time) the required margin of each clearing account of clearing members and blocks the corresponding additional guarantees in the form of cash and/ or transferable securities.

In addition, it manages the Default Funds of the two markets which act as risk sharing funds to which Clearing Members contribute exclusively in cash. Based on the collateral blocked, the credit limits given to members are reviewed on a continuous basis, and compliance with them is monitored in real time during the trading session. The minimum size of the Clearing Funds is recalculated at least on a monthly basis, in accordance with the provisions of the Clearing Rulebook, in order for its size to be adequate to cover at any time the obligations imposed by EMIR, i.e. to absorb losses, besides the margins, in case of default of the two (2) largest clearing member groups against which ATHEXClear has the greatest exposure from the close-out of their positions for each market (securities, derivatives) separately.

The risk management models and the parameters used are examined as to their effectiveness on a daily basis under extreme but plausible scenarios (margin/ haircut back-testing, default fund coverage under stress), and are validated on an annual basis by an external, independent specialized consultant.

Credit risk

The Group faces credit risk from the investment of its own assets. As part of its Investment Policy, specific principles are defined for cash deposit arrangements. As a rule, cash deposit arrangements are with the Bank of Greece, a fact that minimizes its risk exposure.

Short term cash arrangements that do not exceed three months take place at Greek Systemic Banks, in accordance with the Investments Policy set by the Strategic Investments Committee of the ATHEX Group.

The ratings of the Greek Systemic Banks by two reputable International Rating Agencies are shown below:

BANK RATINGS

		STANDARD & POOR' S				
		Outlook	Long Term Local Issuer Credit	Short Term Local Issuer Credit	Long Term Foreign Issuer Credit	Short Term Foreign Issuer Credit
ALPHA BANK AE	GR	POS	B	B	B	B
EUROBANK ERGASIAS SA	GR	POS	B	B	B	B
NATIONAL BANK OF GREECE	GR	POS	B	B	B	B
PIRAEUS BANK S.A	GR	POS	B-	B	B-	B
BANK OF GREECE	GR	#N/A	NR	NR	NR	NR
HSBC BANK PLC	GB	NEG	A	A-1	A	A-1

		MOODY' S				
		Outlook	Local Long Term Bank Deposits	Foreign Long Term Bank Deposits	Subordinated Debt	Senior Unsecured Debt
ALPHA BANK AE	GR	POS	Caa1	Caa1	(P)Caa2	(P)Caa1
EUROBANK ERGASIAS SA	GR	POS	Caa1	Caa1	Caa2	Caa2
NATIONAL BANK OF GREECE	GR	POS	Caa1	Caa1	-	B1
PIRAEUS BANK S.A	GR	POS	Caa2	Caa2	(P)Caa3	(P)Caa2
BANK OF GREECE	GR	#N/A	#N/A	#N/A	#N/A	WR
HSBC BANK PLC	GB	NEG	-	-	A3	A2

Out of total cash and cash equivalents of the Group of €73.4m, approximately €43.4m is deposited in Greek systemic banks, and the remaining approximately €30.0m at the Bank of Greece.

In addition, the Group systematically monitors past due and open client balances.

Liquidity Risk

Exposure to liquidity risk as a whole for the Group is kept at very low levels by maintaining adequate cash.

The main liquidity risk for the Group mainly concerns transactions in the cash market and the derivatives market in which ATHEXClear operates as Central Counterparty.

In particular for ATHEXClear, the aim is to maintain an adequate liquidity level in order to ensure that it is in a position to fulfill its obligations concerning payments or settlement in all currencies that are payable, at the end of each day and/or, if required, on an intraday basis. The estimation of the size of the obligations of ATHEXClear is done both based on its business plan, as well as based on possible, but unforeseen, events.

ATHEXClear’s liquidity is monitored based on the criteria set out in EMIR. On a daily basis, and under extreme but reasonable market conditions (stress tests), it is examined whether cash required will be sufficient, following the simultaneous default of the two (2) groups of clearing members to which ATHEXClear has the greatest liquidity claim for closing-out their positions separately for each market (equities, derivatives). In addition, the overall liquidity needs of ATHEXClear are monitored on a daily basis using liquidity gap analysis.

The rapid spread of the coronavirus (COVID-19) disease, finds the world financial system and business to a large degree unprepared. The world economy is entering a period of uncertainty and instability, the consequences of which are difficult to estimate based on the facts so far. The economic impact will depend on the duration, the intensity and the spread of the disease in Greece and across the world (see note 5.52).

Operational risk

The Group does not seek to take operational risk, but accepts that operational risk may arise as a result of systems failure, internal procedures or human failure. In particular, it is recognized that operational risk may arise among others because of: outsourcing activity, supervisory or regulatory non-compliance, business continuity failure, risks from IT systems, information security and project implementation.

Operational risk is maintained at acceptable levels, through a combination of good corporate governance and risk management, robust systems and controls.

In 2019 there were no cases of interruptions in clearing, settlement and registration at the Group due to failure or unavailability of the IT systems or to human error. There were two cases, limited in duration, of trading system unavailability due to technical problems, which were subsequently identified and corrected. There was no major damage or monetary claims due to litigation (legal and court expenses) or due to non-compliance with the supervisory framework and the contractual obligations of the Group. In addition, there were no losses due to external events.

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Measures to reduce operational risk

The Group recognizes the need to determine, estimate, monitor and reduce operational risk that is inherent in its operations and activities, as well as the need to maintain adequate capital, in order to face this particular type of risk.

In particular, for each company and for the Group as a whole, the capital requirements for operational risk is calculated on an annual basis, using the Basic Indicator Approach (BIA); in addition, a framework for systematically monitoring operational risk is in place.

The most important measures for reducing operational risk are the implementation of a business continuity plan for all of the critical services of the Group, the conclusion of insurance policies, as well as measures for ensuring compliance with new regulations. The Group follows a specific methodology for managing operational risk; according to it carries out on a regular basis RCSAs[3] in order to evaluate and categorize risks, maintains a loss data base[4], creates regular reports and plans actions to improve risk management.

Business continuity plan

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The Group has processed and put into operation an appropriate infrastructure and a disaster recovery plan, which includes:

- *Operation of a Disaster Recovery Site:* The Group maintains a disaster recovery site for its IT systems. In addition, the Group has received and maintains the ISO-22301 business continuity certification.
- *Formation of crisis management teams and emergency incident management:* The purpose of these teams is to maintain continuity in the provision of trading services in case of an unforeseen event. They have been assigned specific responsibilities and specially trained Group staff have been assigned to them.
- *Existence of back up IT systems:* The IT systems of the Group are installed and operate in the data center at the headquarters of the Group. The data center consists of two, independent as to location, supporting infrastructure and technological services provided, individually mirrored data centers, in order to provide redundancy and high availability, ensuring continuous systems operation.

Insurance contracts

Operational risks which the Group is not able to or does not wish to assume are transferred to insurance companies. In particular, coverage concerns among others third party civil liability and professional liability (DFL/PI) as well as civil liability for BoD members and staff (D&O). There are also insurance contracts covering fire and other risk for the facilities and the work and IT equipment of the Group.

Compliance function

A Chief Compliance Officer for ATHEX and the Group, as well as Chief Compliance Officers for the two companies ATHEXCSD and ATHEXClear have been appointed, with the key objectives of ensuring compliance with the legal and regulatory framework, regulations and policies, measuring and minimizing the risk of regulatory compliance

[3] Risk Control Self-Assessment (RCSA): at regular intervals ATHEXClear organizes workshops for categorizing risk based on the degree of risk exposure at the procedures level and determining Key Risk Indicators (KRIs).

[4] Loss Database: the database is updated on a daily basis with operations risk events independent of the size of the damage.

and addressing the consequences of non-compliance with the legal and regulatory framework, with clear and separate reporting lines from those of other company functions.

Their main responsibilities are to:

- Monitor changes in the regulatory and supervisory framework and inform the BoD and staff.
- Conduct gap analysis between the existing and future conditions brought about by regulatory and supervisory changes.
- Monitor compliance of the companies with the legal and regulatory framework.
- Handle requests related to compliance matters.
- Measure and monitor compliance risk.

Indicatively, policies are in effect concerning conflict of interest, outsourcing, complaint management, remuneration of staff, executives and members of the BoD and management of its files.

Business risk

The Group recognizes that the appearance of business risk depends on macroeconomic developments and is affected by external events such as changes in the competitive capital markets environment, changes in the international and domestic economic environment, legal and regulatory developments, changes in taxation policy and in technology etc. Such events may impact the growth and sustainability of the Group, causing a reduction in trading activity, a drop in expected profits, inability to liquidate and/or even the impairment of assets, etc.

In this context, the Group continually and systematically monitors developments and adapts to the environment, and calculates on an annual basis its capital requirements for business risk.

The rapid spread of the coronavirus (COVID-19) disease, finds the world financial system and business to a large degree unprepared. The world economy is entering a period of uncertainty and instability, the consequences of which are difficult to estimate based on the facts so far. The economic impact will depend on the duration, the intensity and the spread of the disease in Greece and across the world (see note 5.52).

Internal Audit and Risk Management

The primary concern of the Company is the development and the constant improvement and upgrade of the Internal Audit System, which comprises all of the recorded audit mechanisms and processes that cover the whole range of daily operations and procedures of the Company.

In particular, with regard to the Company's financial operations, a system of safeguards is in place that aims to prevent and/ or detect material errors in time in order to ensure the reliability of the financial statements, the effectiveness and efficiency of operations and compliance with the rules and regulations. Based on specific significance criteria (quantitative and qualitative), important accounts are identified, procedures are recorded, responsibilities and policies are assigned and control points are designed which are being implemented on an ongoing basis by management and staff.

The Board of Directors has the ultimate responsibility to monitor and assess the effectiveness and sufficiency of the Internal Audit System.

Responsible for monitoring compliance with the Internal Audit System are: a) the Audit Committee and b) the Internal Audit Division.

The **Audit Committee** of the Company has been set up by decision of the Board of Directors of the Company and operates based on the Standards for the Professional Application of Internal Audit of the Institute of Internal Auditors, decision 5/204/14.11.2000 of the Hellenic Capital Market Commission, Law 3016/2002 on corporate governance, and Law 4449/2017, as well as the notes, clarifications and recommendations of the Hellenic Capital Markets Commission, as set out in its letter (Protocol no. 1302/28.04.2017).

The main purpose of the Audit Committee is to assist the Board of Directors in the supervision of the quality, adequacy and effectiveness of the internal audit and risk management system, as well as the quality of the work performance of the Company.

The **Internal Audit Division** operates in the manner prescribed by the Code of Conduct and the International Professional Practices Framework (IPPF) of the Institute of Internal Auditors (IIA), decision 5/204/14.11.2000 of the Hellenic Capital Market Commission and Law 3016/2002 on corporate governance. The Internal Audit Division reports to the Board of Directors, through the Audit Committee which supervises it. The above also holds for the subsidiary companies of the Athens Exchange Group.

The main responsibility of the Internal Audit Division is to express an opinion on the compliance or non-compliance of the internal processes of each audited area, as well as to apply the safeguards that have been adopted by Management, in order to prevent and avoid risk.

5.5. Capital Management

The primary aim of the capital management of the Group is to maintain its high credit rating and healthy capital ratios, in order to support and expand the activities of the Group and maximize shareholder value.

There were no changes in the approach adopted by the Group concerning capital management during fiscal year 2019.

5.6. Segment Information

In accordance with the provisions of IFRS 8, the determination of operating segments is based on a "management approach." Based on this approach, information that is disclosed for operating segments must be that which is based on internal organizational and managerial structures of the Group and the Company, and in the main accounts of the internal financial reports that are being provided to the chief operating decision makers. The chief business decision market of the Group is the Chief Executive Officer (Executive member of the BoD).

An **operating segment** is defined as a group of assets and operations exploited in order to provide products and services, each of which has different risks and returns from other business segments. For the Group, the main interest in financial information focuses on operating segments since the company's electronic systems – located at its headquarters - are at the disposal of investors irrespective of their physical location.

On 31 December 2019 the core activities of the Group were broken down in the following operating segments:

Group	Segment information on 31.12.2019						
	Trading	Clearing - Clearing house services	Settlement - Depository services	Data feed	IT - Other *	Exchange services	Total
Revenue	5,272	9,381	7,360	2,556	5,856	3,051	33,476
Capital income	58	103	80	28	64	33	366
Expenses	(3,193)	(5,682)	(4,458)	(1,548)	(3,547)	(1,848)	(20,276)
Depreciation	(643)	(1,144)	(898)	(312)	(714)	(372)	(4,083)
Taxes	(536)	(953)	(748)	(260)	(595)	(311)	(3,403)
Earnings after tax	**958**	**1,705**	**1,336**	**464**	**1,064**	**553**	**6,080**
Assets	4,967	8,839	6,935	2,408	5,518	2,874	31,541
Cash and cash equivalents	11,564	20,576	16,143	5,606	12,845	6,692	73,426
Other assets	32,257	57,399	45,033	15,639	35,831	18,668	204,827
Total assets	**48,788**	**86,814**	**68,111**	**23,653**	**54,194**	**28,234**	**309,794**
Total liabilities	**31,775**	**56,541**	**44,360**	**15,405**	**35,295**	**18,390**	**201,766**

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Group	Segment information on 31.12.2018						
	Trading	Clearing - Clearing house services	Settlement - Depository services	Data feed	IT - Other *	Exchange services	Total
Revenue	4,299	8,040	3,821	2,891	4,560	2,975	26,586
Capital income	91	171	81	61	97	64	565
Expenses	(3,176)	(5,939)	(2,823)	(2,136)	(3,368)	(2,197)	(19,639)
Depreciation	(567)	(1,060)	(504)	(381)	(601)	(391)	(3,504)
Taxes	(159)	(297)	(141)	(107)	(168)	(109)	(981)
Earnings after tax	**488**	**915**	**434**	**328**	**520**	**342**	**3,027**
Assets	5,237	9,794	4,655	3,522	5,555	3,624	32,387
Cash and cash equivalents	12,064	22,563	10,723	8,113	12,797	8,348	74,608
Other assets	27,340	51,131	24,300	18,386	29,000	18,919	169,076
Total assets	**44,641**	**83,488**	**39,678**	**30,021**	**47,352**	**30,892**	**276,072**
Total liabilities	**26,735**	**49,999**	**23,762**	**17,979**	**28,358**	**18,501**	**165,334**

The distribution of expenses was made based on fixed distribution percentages for each business segment.

* In revenue it includes: revenue from re-invoiced expenses, X-NET revenue from other services.

5.7. Overview of the capital market

The Athens Exchange General Index closed on 31.12.2019 at 916.67 points, 49.47% higher than the close at the end of 2018 (613.30 points). The average capitalization of the market was €54.8bn, increased by 4.9% compared to 2018 (€52.2bn).

The total value of transactions in the 2019 (€16.6bn) is 20.0% higher compared to 2018 (€13.9bn), while the average daily traded value was €67.4m compared to €55.7m in 2018, increased by 21.0%. The average daily traded volume decreased by 13.7% (32.2m shares vs. 37.3m shares).

In the derivatives market, total trading activity dropped by 25.1% (2019: 10.6m contracts, 2018: 14.1m), while the average daily traded volume decreased by 24.5% (42.8 thousand contracts vs. 56.7 thousand).

5.8. Trading

Revenue from trading in 2019 is analyzed in the table below:

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Shares	4,626	3,690	4,626	3,690
Derivatives	619	590	619	590
ETFs	3	3	3	3
Bonds	24	16	24	16
Total	**5,272**	**4,299**	**5,272**	**4,299**

Revenue from stock trading amounted to €4.6 million vs. €3.7 million in 2018, increased by 25.4%. The increase is mainly due to the increase in trading activity in 2019.

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Revenue from trading in the derivatives market increased by 4.9% compared to 2018. While total trading activity dropped by 25.1% (2019: 10.6 million contracts; 2018: 14.1 million) and the average daily volume of transactions dropped by 24.5% (42.8 thousand contracts compared to 56.7 thousand contracts), the average revenue per contract increased by 40% (2019: €0.199; 2018: €0.142).

5.9. Clearing

Revenue from clearing in 2019 is analyzed in the following table:

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Shares	6,479	5,443	0	0
Bonds	25	16	0	0
Derivatives	1,476	1,405	0	0
ETFs	4	5	0	0
Transfers - Allocations (Special settlement instruction)	402	327	0	0
Trade notification instructions	865	718	0	0
Total	**9,251**	**7,914**	**0**	**0**

Revenue from share clearing, which consists of revenue from the organized market and the Common Platform, amounted to €6.5 million, increased by 19% compared to 2018. The increase is due to the increase in trading activity in 2019.

Revenue from transfers – allocations amounted to €403 thousand, increased by 23.2% compared to 2018, while trade notification instructions amounted to €865 thousand, increased by 20.6%.

Revenue from clearing in the derivatives market increased by 5% compared to 2018. While total trading activity dropped by 25.1% (2019: 10.6 million contracts; 2018: 14.1 million), and the average daily volume of transactions dropped by 24.5% (42.8 thousand contracts compared to 56.7 thousand contracts), the average revenue per contract increased by 40% (2019: €0.199; 2018: €0.142).

5.10. Settlement

Revenue from this category is analyzed in the following table:

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Off-exchange transfers OTC (1)	1,334	1,166	0	0
Off-exchange transfers (2)	3,564	207	0	0
Rectification trades	5	5	0	0
Total	**4,903**	**1,378**	**0**	**0**

(1) Transactions through DSS operators.

(2) Transfers, public offers, donations. Includes the TITAN public offer which brought revenue of €2.6m, as well as other public offers, such as Sazka Group for OPAP and OCM Health Care for IASO.

(Amounts in thousand euro, unless otherwise noted) 126

5.11. Exchange services

This category includes revenue from issuers for quarterly subscriptions and rights issues from ATHEX listed companies, as well as quarterly ATHEX member subscriptions in the cash and derivatives markets. Exchange services are analyzed in the table below:

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Corp. actions by listed companies (rights issues etc.) (1)	119	330	119	330
Quarterly subscriptions by listed companies (2)	2,015	2,007	2,015	2,007
Member subscriptions (3)	547	519	547	519
ATHEX listing fees (IPOs) (6)	98	5	98	5
Bonds - Greek government securities	4	6	4	6
Subscriptions of ENA company advisors	11	11	11	11
Revenue from indices (4)	57	(34)	57	(34)
Other services to issuers (listed companies) (5)	200	131	200	131
Total	**3,051**	**2,975**	**3,051**	**2,975**

(1) Fees on corporate actions by listed companies (includes rights issues by companies and the listing of corporate bonds) amounted to €297 thousand (LAMDA DEVELOPMENT - €175 thousand; TITAN - €32 thousand; BRIQ PROPERTIES - €25 thousand) vs. €330 thousand in 2018 (ELVALHALCOR - €208 thousand; ATTICA BANK - €35 thousand; TERNA ENERGY - €21 thousand). Part of the fees on rights issues and IPOs for 2019 has been recorded in the following fiscal years in accordance with IFRS 15. See note 5.38, contractual obligations, as well as note 5.3.16.

(2) Revenue from listed company subscriptions amounted to €2,015 thousand in 2019 vs. €2,007 thousand in 2018, and are effectively unchanged.

(3) Revenue from member subscriptions in the cash market, which depends on members' annual trading activity, amounted to €487 thousand in 2019 vs. €456 thousand in 2018, increased by 6.8%. Revenue from member subscriptions in the derivatives market amounted to €60 thousand in 2019 compared to €63 thousand in 2018, reduced by 4.8%.

(4) Revenue from indices was negative in 2018 due to the recalculation of charges concerning previous fiscal years resulting in credit notes being issued.

(5) Revenue from other services to issuers increased by 52.7%. This increase is due to the new services of codifying securities and Electronic Book Building, which in 2019 amounted to €108 thousand; the corresponding amount for 2018 was €80 thousand. Other services include the digital certificate services as well as "HERMES" services to listed companies (€86 thousand in 2019 vs. €40 thousand in 2018).

(6) Revenue from ATHEX listing fees amounted to €492 thousand and concerned the listing of TITAN CEMENT INTERNATIONAL at ATHEX. For 2018, the corresponding amount was €5 thousand and concerned the listing of CNL CAPITAL. See also note 5.38, contractual obligations, as well as note 5.3.16.

5.12. Depository Services

This category includes revenue from rights issues by listed companies, quarterly operator subscriptions as well as revenue from inheritances etc. Revenue is analyzed in the following table:

(Amounts in thousand euro, unless otherwise noted) 127

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Corp. actions by issuers (Rights issues - Axia Line) (1)	782	867	0	0
Bonds - Greek government securities	4	82	0	0
Investors	129	107	0	0
Fees from listing at ATHEX (IPOs) (3)	41	19		
Operators (2)	1,501	1,368	0	0
Total	**2,457**	**2,443**	**0**	**0**

(1) Fees on corporate actions by issuers (includes rights issues by listed companies) amounted to €670 thousand in 2019 (LAMDA DEVELOPMENT - €180 thousand; EUROBANK - €180 thousand; OPAP - €70 thousand; BRIQ PROPERTIES - €45 thousand) vs. €419 thousand (ELVALHALCOR - €73 thousand; ATTICA BANK - €65 thousand; ATTICA HOLDINGS - €41 thousand; TERNA ENERGY - €40 thousand), i.e. increased by 59.9%, as well as €30 thousand from the listing of corporate bonds in 2019 (AEGEAN - €10 thousand; ATTICA HOLDINGS - €10 thousand; TERNA ENERGY - €10 thousand) compared to €26 thousand in 2018 (CORAL - €10 thousand; GEK-TERNA - €10 thousand; B&F - €6 thousand). Part of the fees on rights issues and IPOs for 2019 has been recorded in the following fiscal years in accordance with IFRS 15. See note 5.38, contractual obligations, as well as note 5.3.16.

Revenue from the provision of information to listed companies through electronic means was €223 thousand in 2019 vs. €204 thousand in 2018. Revenue from notifications of beneficiaries for cash distributions was €97 thousand compared to €98 thousand in 2018. This category also includes revenue from Electronic Book Building - €144 thousand in 2019 compared to €72 thousand in 2018.

(2) Revenue from operators includes revenues from monthly subscriptions amounting to €1,156 thousand vs. €1,028 thousand in 2018, and is calculated based on the value of the portfolio of the operators; revenue from authorization number usage amounted to €146 thousand vs. €135 thousand; revenue from opening investor accounts €72 thousand vs. €66 thousand in 2018, as well as other revenue from operators.

(3) Revenue from ATHEX listing fees amounted to €122 thousand and concerned the listing of TITAN CEMENT INTERNATIONAL at ATHEX. For 2018, the corresponding amount was €19 thousand and concerned the listing of CNL CAPITAL. See also note 5.38, contractual obligations as well as note 5.3.16.

5.13. Clearing House Services

Revenue in this category is analyzed in the following table:

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Derivatives market clearing Member subscriptions	130	126	0	0
Total	**130**	**126**	**0**	**0**

5.14. Market data

Revenue from this category includes the rebroadcast of ATHEX and CSE market data, as well as revenue from the sale of statistical information. Revenue from this category is analyzed in the following table:

(Amounts in thousand euro, unless otherwise noted) 128

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Revenue from market data	2,516	2,849	2,739	3,072
Revenue from publication sales	40	42	41	43
Total	**2,556**	**2,891**	**2,780**	**3,115**

See note 5.33, other claims for the contractual obligation that it has recognized.

5.15. IT services

Revenue from this is analyzed in the table below:

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
DSS terminal use licenses (1)	152	161	116	120
Services to Members (2)	343	307	343	307
Total	**495**	**468**	**459**	**427**

(1) Revenue from DSS terminal licenses amounted to €152 thousand, reduced by 5.6% compared to 2018.

(2) Revenue from services to Members increased by 11.7% and includes revenue from ARM-APA - €232 thousand compared to €223 thousand in 2018; revenue from the use of FIX protocol - €64 thousand compared to €40 thousand in 2018; as well as revenue from the use of additional terminals - €42 thousand (2018: €41 thousand).

5.16. Revenue from re-invoiced expenses

Revenue from re-invoiced expenses are analyzed in the table below:

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Exchange trading network (ATHEXNet)	467	479	467	479
General Meeting Services to listed companies (SODALI)	70	64	70	64
Sponsorship revenue -NY, London roadshows - WFE Conf.	202	366	202	366
Travel revenue	2	4	2	4
Revenue from electricity - Colocation	215	201	0	77
Total	**956**	**1,114**	**741**	**990**

ATHEXnet revenue of €467 thousand concerns the re-invoicing of expenses of the Group for the use of the ATHEX Exchange Transactions network to members. The corresponding expenses are shown in re-invoiced expenses (see note 5.27).

Revenue from sponsorships in 2019 concern the roadshows that took place in New York and London.

(Amounts in thousand euro, unless otherwise noted) 129

5.17. Ancillary Services (Colocation, Xnet, LEI)

This category includes support services of other markets as well as new services provided by the Group that are not directly related with its core businesses, such as colocation services, which refer to the concession to use the premises and IT systems of the Group, as well as the provision of software services to third parties. This revenue is analyzed in the following table:

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Revenue from X-NET/InBroker (see table below)	666	570	67	40
Support of other markets (CSE)	448	254	342	222
Colocation Services (1)	876	750	876	722
Market Suite	125	138	17	21
Hellenic Capital Market Commission (3)	171	118	171	118
Use of auction platform services - DESFA	60	50	0	0
UNAVISTA LEI - EMIR TR (2)	277	356	0	0
Total	**2,623**	**2,336**	**1,473**	**1,123**

(1) The Group offers colocation services to other companies, from which it received €876 thousand in 2019 vs. €750 thousand in 2018.

(2) When reporting transactions, liable parties are recognized based on a Legal Entity Identifier (LEI) code, a unique code for each legal entity that is issued in accordance with the ISO17442 standard and supervised by the Regulatory Oversight Committee for the Global Entity Identifier System (LEIROC) that has been appointed by the Financial Stability Board. In 2019 related revenue is down 22.2% compared to 2018.

(3) Services to the Hellenic Capital Market Commission amounted to €171 thousand in 2019 compared to €118 thousand in 2018 and concern the implementation of TRS software as well as the implementation of surveillance supporting software.

Inbroker/InBrokerPlus

ATHEX owns and provides the InBrokerPlus® system on a commercial basis to ATHEX members, as a comprehensive real-time price watch and order routing/management service for end-users (OMS), for capital markets that are supported (ATHEX, CSE, and other foreign markets), as part of the operation of the XNET network by the Group.

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Revenue from X-NET	214	112	64	37
Revenue from Inbroker	452	458	3	3
Total	**666**	**570**	**67**	**40**

For the corresponding expenses, refer to note 5.28.

5.18. Other services

The breakdown in revenue for this category is shown in the table below:

(Amounts in thousand euro, unless otherwise noted) 130

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Education (1)	294	137	293	135
Rents (2)	355	324	197	197
Provision of support services to companies (3)	748	144	638	344
Guarantee forfeitures – penalties	5	0	5	0
Revenue from swift instructions	8	8	0	0
Other (4)	264	29	240	32
Total	**1,674**	**642**	**1,373**	**708**

(1) Concerns revenue from seminars and certifications, as well as ROOTS educational programs.

(2) Rental income for the Group concern mainly the lease of a store in Thessaloniki; Mayer building; 4th floor and part of the 1st floor of the Athinon Ave. building.

(3) The amount of €748 thousand concerns support services by the companies of the Group to HenEx and HenExClear.

(4) Other revenue in this category in 2019 includes a grant in the amount of €285 thousand for eIB Project: 2018-EU-IA-0044 signed Agreement, and revenue from consulting services on Digital Signatures as part of the eIDAS regulation and INEA (LEPS), registration of a €75 thousand credit amount to Morgan Stanley; €10 thousand – revenue from Unisystems, etc.

5.19. Hellenic Capital Market Commission fee

The operating results of the Group in 2019 include the Hellenic Capital Market Commission (HCMC) fee, which for the Group amounted to €1,216 thousand compared to €1,019 thousand in 2018. This fee is collected and turned over to the HCMC, within two months following the end of each six-month period. The reduction resulted from a corresponding reduction in the revenue of the Group from the trading, clearing and settlement of trades on stocks and derivatives, on which it is calculated.

For the Company, the HCMC fee in 2019 amounted to €449 thousand compared to €369 thousand in 2018.

5.20. Personnel remuneration and expenses

The change in the number of employees of the Group and the Company, as well as the breakdown in staff remuneration is shown in the following table. It should be noted that there have been internal personnel transfers among the companies of the Group in order for the Company to comply in the provision of services with EU Regulations and Hellenic Capital Market Commission decisions.

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Salaried staff	218	227	112	113
Total Personnel	**218**	**227**	**112**	**113**

(Amounts in thousand euro, unless otherwise noted) 131

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Personnel remuneration	6,896	6,613	3,801	3,647
Personnel bonus	555	18	97	4
Social security contributions	1,713	1,647	935	891
Termination benefits	182	544	30	199
Net change in the compensation provision (actuarial valuation)	(21)	(38)	12	(19)
Other benefits (insurance premiums etc.)	1,108	1,076	670	606
Total	**10,433**	**9,860**	**5,545**	**5,328**

5.21. Third party remuneration & expenses

Third party fees and expenses include the remuneration of the members of the BoDs of all the companies of the Group.

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
BoD & Committee member remuneration	78	27	47	21
Attorney remuneration and expenses	72	72	72	72
Fees to auditors (1)	82	75	32	30
Fees to consultants (2)	390	274	274	102
Fees to FTSE (ATHEX)	99	102	99	102
Other Fees (3)	101	59	51	31
Fees to training consultants	59	24	42	24
Total	**881**	**633**	**617**	**382**

(1) Concerns the fees for the regular audit by the certified auditors of the Group, as well as the Tax Compliance Report.

(2) Fees to consultants include fees for actuarial study, tax and legal services; ATHEXClear - €75 thousand; Risk Dynamics - €65 thousand; Deloitte €120 thousand systems development software that was expenses, Risk Dynamics, assessment of the BoD members, real estate valuation estimate.

(3) Concerns attorney fees - €72 thousand and fees to DSS [Dematerialized Securities System] Operators - €29 thousand.

It is noted that the certified auditors of the Group received €75 thousand in 2019 in fees related to the regular audit and the tax certificate. For the Company, total remuneration to the certified auditors amounted to €30 thousand in fees related to the regular audit and the tax certificate.

No other fees, besides the above, were paid in fiscal year 2019 to the certified auditors of the Group and the Company.

(Amounts in thousand euro, unless otherwise noted) 132

5.22. Utilities

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Fixed - mobile telephony - internet	174	134	83	32
Leased lines - ATHEXNet	85	96	22	30
PPC (Electricity)	497	457	16	12
EYDAP (water)	5	5	0	0
Total	**761**	**692**	**121**	**74**

5.23. Maintenance / IT Support

Maintenance and IT support includes expenses for the maintenance of the Group's technical infrastructure and support for the IT systems (technical support for the electronic trading platforms, databases, Registry [DSS] etc.), and are contractual obligations.

5.24. Other taxes

Non-deductible Value Added Tax, and other taxes (Property Tax) that burden the cost of services amounted to €1,336 thousand compared to €1,154 thousand in 2018, mainly as a result of VAT for the maintenance of asset equipment (network & storage equipment) of significant value that was recently acquired. For the Company, other taxes amounted to €667 thousand vs. €597 thousand in 2018.

5.25. Building / equipment management

This category includes expenses such as: security and cleaning services, building and equipment maintenance and repairs.

	GROUP		COMPANY	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Cleaning and building security services	408	353	113	100
Building repair and maintenance - other equipment	195	102	15	10
Fuel and other generator materials	16	18	0	0
Communal expenses	8	18	0	0
Total	**627**	**491**	**128**	**110**

Cleaning and security services increased due to the 11% increase in the minimum wage of the crews, as well as due to the increase in the number of cases when extra security was required in 2019 as a result of the increase in the number of events at the Athinon Ave. building.

5.26. Other operating expenses

Other operating expenses in 2019 decreased by 7.7% compared to the corresponding period last year, and are analyzed in the table below:

(Amounts in thousand euro, unless otherwise noted) 133

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Bank of Greece (BoG) - cash settlement	54	50	0	0
Stationery	10	10	9	8
Consumables	33	39	31	38
Travel expenses	155	157	125	105
Postal expenses	7	15	4	10
Transportation expenses	65	58	50	43
Publication expenses	6	9	0	0
Storage fees	13	13	9	9
Operation support services	0	0	119	119
Automobile leases	4	20	4	20
DR hosting expenses	99	61	51	178
Other expenses	100	285	37	(102)
Electronic equipment insurance premiums	17	16	17	16
Means of transport insurance premiums	3	4	3	4
Building fire insurance premiums	22	24	3	3
BoD member civil liability ins. Premiums (D&O, DFL & PI)	351	348	351	348
Subscriptions to professional organizations & contributions	324	301	288	266
Hellenic Capital Market Commission subscription	13	14	13	14
Promotion, reception and hosting expenses	227	213	188	198
Event expenses	237	248	228	222
Total	**1,740**	**1,885**	**1,530**	**1,499**

5.27. Re-invoiced expenses

Expenses in this category for 2019 are analyzed in the table below:

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Leased Lines (ATHEXNet)	309	357	295	349
Sodali expenses (General Meetings)	49	30	49	30
VAT on re-invoiced expenses	74	70	60	60
Promotion, reception and hosting expenses (NY-London roadshows)	259	303	254	298
Electricity consumption - Colocation	216	191	0	0
Other	52	11	53	11
Total	**959**	**962**	**711**	**748**

The corresponding revenue is shown in note 5.16.

5.28. Expenses for ancillary activities

Expenses on this category are shown in the table below:

(Amounts in thousand euro, unless otherwise noted) 134

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Expenses from new activities (3)	144	83	135	82
X-NET Expenses (1)	246	542	23	60
Expenses on IT Services to third parties (2)	321	417	44	57
VAT on ancillary services expenses	71	80	10	0
Total	**782**	**1,122**	**212**	**199**

1. InBroker Plus expenses for X-NET (the corresponding revenue is described in note 5.17) concern data feed, which is purchased from foreign exchanges in order for the product to be more attractive to a greater range of clients and vendors. In particular, data feed is purchased from the London Stock Exchange, Euronext, Deutsche Börse et al, aiming to widen the investment horizon of investors. In 2019, significant savings in the fees paid to foreign exchanges were achieved.

   XNET expenses are analyzed in the table below:

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Expenses concerning foreign securities	101	92	13	54
Inbroker Plus data feed expenses	145	450	10	6
Total	**246**	**542**	**23**	**60**

2. Expenses for IT Services amounted to €321 thousand compared to €417 thousand in 2018 and mainly include the expenses of the LEI – EMIR TR service – €278 thousand (compared to €361 thousand in 2018); ORACLE expenses - €19 thousand (compared to €46 thousand in 2108); and HELLENIC CAPITAL MARKET COMMISSION expenses - €4 thousand (compared to €10 thousand in 2018) (the corresponding UNAVISTA LEI revenue is shown in note 5.17).
3. Includes invoices for legal and consulting services for the participation in Boursa Kuwait - €80 thousand; a study for shipping derivatives products - €39 thousand; and fee for CERTIFICATE MANAGER SDK - €10 thousand.

5.29. Owner occupied tangible assets and intangible assets

It is the policy of the Athens Exchange Group to re-estimate the market value of its real estate every three years. The last real estate estimate took place in March 2016 with the reference date of 31.12.2015. Thus, consistent with its policy, the Group assigned the study of determining the market value of its properties, in accordance with IFRS, to independent, recognized assessors. The study was completed and submitted at the end of February 2019, and the Group adjusted the value of its properties on 31.12.2018 based on the findings of the study, in order to show in the statement of financial position of 31.12.2018 the fair value of its properties. In 2019 there were no impairment indications, and for this reason a re-estimate of the value of the real estate was not required.

The tangible and intangible assets of the Group on 31.12.2019 and 31.12.2018 are analyzed as follows:

(Amounts in thousand euro, unless otherwise noted) 135

Group	TANGIBLE ASSETS & INTANGIBLE ASSETS						
	Plots of Land	Building and Construction	Machinery & other equip.	Means of Transportation	Furniture fittings and equip.	Intangible Assets	Total
Acquisition and valuation on 31.12.2017	**4,500**	**26,879**	**127**	**168**	**7,922**	**10,502**	**50,098**
Additions in 2018	0	49	0	0	1,026	2,177	**3,252**
Reductions in 2018	0	0	0	0	0	0	**0**
Acquisition and valuation on 31.12.2018	**4,500**	**26,928**	**127**	**168**	**8,948**	**12,679**	**53,350**
Accumulated depreciation on 31.12.2017	**0**	**10,959**	**127**	**161**	**6,884**	**4,418**	**22,549**
Depreciation in 2018	0	1,079	0	0	509	1,712	**3,300**
Accumulated depreciation reduction in 2018	0	0	0	0	0	0	**0**
Accumulated depreciation on 31.12.2018	**0**	**12,038**	**127**	**161**	**7,393**	**6,130**	**25,849**
Book value							
on 31.12.2017	4,500	14,841	0	7	529	4,372	**24,249**
on 31.12.2018	**4,500**	**14,890**	**0**	**7**	**1,555**	**6,549**	**27,501**
Revaluation due to estimate by independent assessor	0	2,599	0	0	0	0	**2,599**
Book value after the revaluation on 31.12.2018	**4,500**	**17,489**	**0**	**7**	**1,555**	**6,549**	**30,100**

Group	TANGIBLE ASSETS & INTANGIBLE ASSETS						
	Plots of Land	Building and Construction	Machinery & other equip.	Means of Transportation	Furniture fittings and equip.	Intangible Assets	Total
Acquisition and valuation on 31.12.2018	**4,500**	**29,527**	**127**	**168**	**8,948**	**12,679**	**55,949**
Additions in 2019	0	0	0	0	1,325	1,803	**3,128**
Reductions in 2019	0	0	0	(2)	0	0	**(2)**
Acquisition and valuation on 31.12.2019	**4,500**	**29,527**	**127**	**166**	**10,273**	**14,482**	**59,075**
Accumulated depreciation on 31.12.2018	**0**	**12,038**	**127**	**161**	**7,393**	**6,130**	**25,849**
Depreciation in 2019	0	1,331	0	3	622	1,903	**3,859**
Accumulated depreciation reduction in 2019	0	0	0	(2)	0	0	**(2)**
Accumulated depreciation on 31.12.2019	**0**	**13,369**	**127**	**162**	**8,015**	**8,033**	**29,706**
Book value							
on 31.12.2018	**4,500**	**17,489**	**0**	**7**	**1,555**	**6,549**	**30,100**
on 31.12.2019	**4,500**	**16,158**	**0**	**4**	**2,258**	**6,449**	**29,369**

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The tangible and intangible assets of the Company on 31.12.2019 and 31.12.2018 are analyzed as follows:

Company	TANGIBLE ASSETS & INTANGIBLE ASSETS						
	Plots of Land	Building and Construction	Machinery & other equip.	Means of Transportation	Furniture fittings and equip.	Intangible Assets	Total
Acquisition and valuation on 31.12.2017	**0**	**15**	**103**	**159**	**5,918**	**7,616**	**13,811**
Additions in 2018	0	0	0	0	499	1,275	**1,774**
Reductions in 2018	0	0	0	0	0	0	**0**
Acquisition and valuation on 31.12.2018	**0**	**15**	**103**	**159**	**6,417**	**8,891**	**15,585**
Accumulated depreciation on 31.12.2017	**0**	**1**	**103**	**155**	**5,152**	**3,541**	**8,952**
Depreciation in 2018	0	0	0	0	352	1,176	**1,528**
Accumulated depreciation reduction in 2018	0	0	0	0	0	0	**0**
Accumulated depreciation on 31.12.2018	**0**	**1**	**103**	**155**	**5,504**	**4,717**	**10,480**
Book value							
on 31.12.2017	**0**	**14**	**0**	**4**	**414**	**2,899**	**4,859**
on 31.12.2018	**0**	**14**	**0**	**4**	**913**	**4,174**	**5,105**

Company	TANGIBLE ASSETS & INTANGIBLE ASSETS						
	Plots of Land	Building and Construction	Machinery & other equip.	Means of Transportation	Furniture fittings and equip.	Intangible Assets	Total
Acquisition and valuation on 31.12.2018	**0**	**15**	**103**	**159**	**6,415**	**8,892**	**15,584**
Additions in 2019	0	0	0	0	775	871	**1,646**
Reductions in 2019	0	0	0	(2)	0	0	**(2)**
Acquisition and valuation on 31.12.2019	**0**	**15**	**103**	**157**	**7,190**	**9,763**	**17,228**
Accumulated depreciation on 31.12.2018	**0**	**1**	**103**	**155**	**5,502**	**4,718**	**10,479**
Depreciation in 2019	0	0	0	1	381	1,293	**1,675**
Accumulated depreciation reduction in 2019	0	0	0	0	0	0	**0**
Accumulated depreciation on 31.12.2019	**0**	**1**	**103**	**156**	**5,883**	**6,011**	**12,154**
Book value							
on 31.12.2018	**0**	**14**	**0**	**4**	**913**	**4,174**	**5,105**
on 31.12.2019	**0**	**14**	**0**	**1**	**1,307**	**3,752**	**5,074**

Intangible assets include the amounts of €351 thousand for the Group and €120 thousand for the Company and concern the capitalization of expenses (CAPEX creation) for systems development by the Group in 2019. Starting on 1.1.2018 the depreciation rates for expenses capitalized in 2017 were changed. Henceforth capitalized expenses will be depreciated in 5 years. Expenses made before 1.1.2017 will be depreciated in 10 years as before.

Besides the effect of IFRS 16 (note 5.29), depreciation increased in 2019 due to the fact that capex began being depreciated in 5 years (compared to 10 years previously), as well as due to the purchase of equipment of significant value (ATHEX exchange trading network, storage etc.).

The management of the Group estimates that there are no impairment indications on the owner occupied buildings of the Group and on investments in real estate.

On 31.12.2019 there were no encumbrances on the assets of the companies of the Group.

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5.30. IFRS 16 Standard - Leases

Effect on 1.1.2019

The Group as lessee

When adopting IFRS 16, the Group applied a unified accounting framework for all leases in which it is the lessor. The leases of the Group concern automobiles, while those of the Company concern automobiles and office rental from a subsidiary.

The Group recognized asset rights-of-use and liabilities for these lease payments that were previously classified as operating, except for leases of low value.

The Group used the modified retrospective approach. Under this approach, the lease liability is recognized as the present value of the remaining lease payments, discounted using the incremental borrowing rate on the date of initial application. The asset right-of-use is recognized by an amount equal to the lease liability.

The Group has implemented the following facilitation practices:

- Used as single discount rate for leases with similar characteristics
- Excluded leases with a residual duration of 12 months or less
- Excluded the initial direct costs of the contracts

The incremental borrowing rate used was 4%.

The Company had to estimate the duration of the property lease from a subsidiary, taking into account all the significant financial incentives it has to remain in the contract after the original period. Factors taken into account were the strategic importance of the property and, above all, the amount of investment needed to find a suitable building that meets the security requirements required for the operation of the Group.

The Group as lessor

The new standard for the most part retained the requirements for lessors as they were under IAS 17. Therefore, the standard had no effect on the contracts to which the Group is a lessor.

New accounting policy for lessors

The following are the Company's new accounting policies when adopting IFRS 16, effective from the date of initial application:

Asset right-of-use

The Company recognizes right-of-use assets at the start of the lease (the date when the asset is available for use). The asset rights-of-use are measured at cost, reduced by accumulated depreciation and value impairment adjusted during the measurement of the corresponding lease obligations.

The cost of the asset right-of-use consists of the amount of initial measurement of the lease liability, any lease payments on the start date of the lease period or earlier, any initial direct costs incurred by the lessee and the costs incurred by the lessee in order to disassemble and remove the underlying asset at the termination of the lease, if there is such an obligation.

The asset rights-of-use are depreciated using the straight line method at the earlier between the useful life of the asset and the duration of the lease. When in estimating the present value it is assumed that any option to purchase the underlying asset will be exercised, then the asset right-of-use is depreciated during its useful life.

The right-of-use assets are subject to an impairment check.

Lease liabilities

At the start of the lease the Company recognizes lease liabilities equal to the present value of the lease payments for the duration of the lease contract. The leases include:

- Fixed leases (including substantially fixed payments)
- Variables leases which depend on an index or interest rate
- The amounts expected to be paid by the Group based on guaranteed residual values
- The exercise price on a call option, if it is almost certain the Group will exercise this right, and
- termination penalty for early termination of the lease, if the duration of the lease reflects the exercise of the right by the Group to terminate the lease.

In order to estimate the present value of the payments, the Company uses the incremental borrowing rate on the start day of the lease, if the real interest rate is not directly determined by the lease contract. Following the start of the lease, the amount of the lease liabilities is increased by the interest expense and reduced by the lease payments that take place.

In 2019, for the Group €0.5 thousand was booked as a lease financial costs and €10 thousand as depreciation; for the Company €30.5 thousand was booked as lease financial costs and €67 thousand as depreciation of right-of-use assets.

Assets right of use - Group	31.12.2019	01.01.2019
Means of transport	90,322.12	47,616.74
	90,322.12	**47,616.74**
Lease obligations		
Long-term lease obligations	55,021.87	29,138.47
Short-term lease obligations	30,011.09	9,331.36
	85,032.96	**38,469.83**

Amounts recognized in the Statement of Comprehensive Income

Depreciation - right of use	2019	2018
Means of transport	21,337.15	0
	21,337.15	**0**
Interest expense	**21,337.15**	

It should be noted the asset lease expenses with a duration of less than a year that burdened the results of the fiscal year, amounted to €4,180.

Total lease payments during the fiscal year amounted to €222,586.

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Assets right of use - Company	31.12.2019	01.01.2019
Real Estate	1,390,867	1,505,973
Means of transport	90,322	47,617
	1,481,189	**1,553,590**
Lease obligations		
Long-term lease obligations	1,378,519	1,445,695
Short-term lease obligations	123,071	107,895
	1,501,589	**1,553,590**

Depreciation - right of use	2019	2018
Real Estate	115,106	0
Means of transport	21,337	0
	136,443	**0**
Interest expense	**60,044**	

5.31. Real Estate Investments

Building (at Acharnon & Mayer)

The last property valuation was carried out by an independent estimator for the fiscal year ended on 31.12.2018. For 2019 it was not deemed necessary to reassess the value of the property given that there were no significant impairment indications.

The book value of the investments in real estate for the Group and the Company on 31.12.2019 and 31.12.2018 is shown in the following table:

Group - Company	REAL ESTATE INVESTMENT			
	Plots of Land	Buildings and Construction	Furniture and fixtures	Total
Acquisition and valuation on 31.12.2017	**1,000**	**5,110**	**88**	**6,198**
Additions in 2018	0	0	0	0
Reductions in 2018	0	0	0	0
Acquisition and valuation on 31.12.2018	**1,000**	**5,110**	**88**	**6,198**
Accumulated depreciation on 31.12.2017	**0**	**3,319**	**88**	**3,407**
Depreciation in 2018	0	204	0	204
Accumulated depreciation on 31.12.2018	**0**	**3,523**	**88**	**3,611**
Book value				
on 31.12.2017	**1,000**	**2,200**	**0**	**2,791**
on 31.12.2018	**1,000**	**1,587**	**0**	**2,587**
Impairment of property value	(300)	0	0	(300)
Book value after revaluation on 31.12.2018	**700**	**1,587**	**0**	**2,287**

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Group - Company	REAL ESTATE INVESTMENT			
	Plots of Land	Buildings and Construction	Furniture and fixtures	Total
Acquisition and valuation on 31.12.2018	**700**	**5,110**	**88**	**5,898**
Additions in 2019	0	0	0	0
Reductions in 2019	0	0	0	0
Acquisition and valuation on 31.12.2019	**700**	**5,110**	**88**	**5,898**
Accumulated depreciation on 31.12.2018	**0**	**3,523**	**88**	**3,611**
Depreciation in 2019	0	205	0	205
Accumulated depreciation reduction in 2019	0	0	0	0
Accumulated depreciation on 31.12.2019	**0**	**3,728**	**88**	**3,816**
Book value				
on 31.12.2018	**700**	**1,587**	**0**	**2,287**
on 31.12.2019	**700**	**1,382**	**0**	**2,082**

5.32. Investments in subsidiaries and other long term claims

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Participation in ANNA	1	1	1	1
Participation in subsidiaries	0	0	57,880	57,880
Participation in affiliates (1)	1,158	1,050	1,158	1,050
Management committee reserve	11	11	0	0
Claim from subsidiaries due to stock options	0	0	227	227
Lease guarantees	58	56	12	10
Total	**1,228**	**1,118**	**59,278**	**59,168**

1. The participation of the Company in HenEx on 31.12.2019 was €1,050,000 (note 5.46), increased by €108 thousand from the participation in the earnings.

The breakdown of the participations of the parent Company in the subsidiaries of the Group on 31.12.2019 is shown below:

	% of direct participation	Number of shares / total number of shares	Cost 31.12.2019	Cost 31.12.2018
ATHEXCSD (former TSEC)	100	802,600 / 802,600	32,380	32,380
ATHEXClear	100	8,500,000 / 8,500,000	25,500	25,500
		Total	**57,880**	**57,880**

The Company collected dividend of €4.00 per share from the ATHEXCSD subsidiary for fiscal year 2018. The dividend, amounting to €3,210,400 was collected in June 2019.

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5.33. Trade and other receivables

All claims are short term and no discounting is required on the date of the statement of financial position. The breakdown of clients and other receivables is shown in the following table:

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Clients	8,145	6,767	4,357	3,387
Clients (intra-Group)	0	0	59	16
Less: provisions for bad debts	(3,639)	(3,649)	(1,606)	(1,585)
Net commercial receivables	**4,506**	**3,118**	**2,810**	**1,818**
Other receivables				
Tax withheld on dividends for offsetting (1)	4,721	4,721	4,421	4,421
Tax (0.20%) (2)	2,807	1,910	0	0
HCMC fee claim (3)	21	453	21	453
Taxes withheld on deposits	192	136	100	74
Accrued revenue - prepaid non-accrued expenses (4)	829	256	343	623
Contractual obligations - data vendors (7)	433	480	475	0
Other withheld taxes	68	49	47	31
Prepayment of tax audit differences (5)	6	983	6	983
Other debtors (6)	71	93	397	446
Total other receivables	**9,148**	**9,081**	**5,810**	**7,031**

(1) Concerns the dividend withholding tax on dividends received by the Company from its former subsidiary Athens Exchange. Tax offsetting ended in 2014.

(2) The sales tax on transactions (0.20%) is turned over by members on T+2, however some members take advantage of their right to turn it over in one tranche to ATHEXCSD on the third working day after the end of the month when the transactions took place.

(3) The amount of €432 thousand was collected on 16.05.2019 from the claim to the HCMC fee.

(4) Concerns prepayment of an amount that will be expensed in the next fiscal year (Unisystems, Microsoft, Performance Technology, insurance contracts etc.)

(5) Concerns the remaining balance, after offsetting with taxes payable, from the prepayment of the tax resulting from the ATHEX tax audit for the period 2008-2010 (note 5.43).

(6) Other debtors include, among others: claims on HCGC - €35 thousand, as well as cheques receivable - €34 thousand. For the Company it includes an additional amount of €338 thousand which concerns a claim for Xnet cash settlement from ATHEXCSD.

(7) Concerns a provision for revenue from market data services - €421 thousand for the Group and €470 thousand for the Company (the corresponding amounts for 2018: €472 thousand for the Group and €517 thousand for the Company), and €6 thousand in support services to the Energy Exchange.

The provisions for doubtful claims are analyzed in the table below:

(Amounts in thousand euro, unless otherwise noted) 142

Provisions for bad debts	Group	Company
Balance on 31.12.2017	**3,571**	**1,894**
Additional provisions in 2018	78	-309
Balance on 31.12.2018	**3,649**	**1,585**
Additional provisions in 2019	(10)	21
Balance on 31.12.2019	**3,639**	**1,606**

The book value of clients reflects their fair value.

The tables below detail all claims from clients at the Group and Company level:

Group	31.12.2019	31.12.2018
Balance not past due	4,170	2,852
Balance past due	3,974	3,915
Before provisions	**8,144**	**6,767**
Less: value impairment provision	3,638	3,649
After provisions	**4,506**	**3,118**

Company	31.12.2019	31.12.2018
Balance not past due	2,649	1,675
Balance past due	1,766	1,727
Before provisions	**4,415**	**3,403**
Less: value impairment provision	1,605	1,585
After provisions	**2,810**	**1,818**

The aging analysis of pending commercial receivables that are past due, is as follows:

Group	31.12.2019	31.12.2018
Up to 120 days	350	218
121 -240 days	30	75
241 – 360 days	0	40
More than 360 days	3,594	3,582
Before provisions	**3,974**	**3,915**

Company	31.12.2019	31.12.2018
Up to 120 days	160	97
121 -240 days	42	55
241 – 360 days	0	38
More than 360 days	1,564	1,537
Before provisions	**1,766**	**1,727**

Starting on 1 January 2018, the Group applies the simplified IFRS 9 approach and calculates the expected credit losses for the whole lifetime of its claims.

On each balance sheet date, the Group performs an impairment check on the claims using a table based on which expected credit losses are calculated. The maximum exposure to credit risk on the balance sheet date is the book value of each receivables category as stated above.

(Amounts in thousand euro, unless otherwise noted) 143

The table below presents information on the exposure of the Group and the Company to credit risk:

Group	Not past due	Up to 120 days	121 – 240 days	241 – 360 days	More than 360 days
Expected loss %	0.96%	1.49%	11.56%	36.98%	100.00%
Total claims	4,170	350	30	0	3,594
Expected loss	39	5	3	0	3,594

Group	Not past due	Up to 120 days	121 – 240 days	241 – 360 days	More than 360 days
Expected loss %	1.36%	2.46%	9.02%	46.61%	100.00%
Total claims	2,649	160	42	0	1,564
Expected loss	36	4	4	0	1,564

The abovementioned claims of €8.1m on 31.12.2019 include a claim on the Greek State in the amount of €1,961,760 on which an impairment provision of an equal amount has been made.

The book value of the claims above reflects their fair value.

The new IFRS 9 which concerns the classification and measurement of financial assets urges the use of an expected credit losses model replacing the old model of realized accounting losses that was previously applied. According to this model, and in order to estimate the expected credit loss in commercial claims, on 31.12.2019 the Group distributed client claims to time scales and applied loss rates based on past experience at each time scale. This work showed that there was a need to partially reverse the provision for doubtful claims by -€10 thousand (ATHEXCSD: -€21 thousand; ATHEX: €20 thousand; ATHEXClear: -€9 thousand) at the Group level.

5.34. Financial assets at fair value through other income

The category financial assets at fair value through other comprehensive income include the Bank of Piraeus shares that were obtained in exchange for the bond issued by the same bank that the Group possessed. In particular, 13,365,316 shares of Piraeus Bank were acquired at a par value of €0.30 per share and total value of €4,009,594.80.

On 31.07.2017 the Bank of Piraeus did a reverse split of its stock, correspondingly increasing its par value together with a reduction in the number of shares outstanding. Thus on 3.8.2017 the company possessed 668.265 shares with a new acquisition cost of €6.00 per share.

On 31.12.2017 the share price closed at €3.07 and as a result the valuation of the Bank of Piraeus shares was €2,051,573.55.

On 31.12.2018 the share price closed at €0.84 and as a result the valuation of the Bank of Piraeus shares was €561,343.60, a loss of €1,490,231.95 compared to the valuation on 31.12.2017 which, in accordance with IFRS 9, is reported in Other Comprehensive Income (OCI), thus increasing the relevant reserve that had been formed.

On 31.12.2019 the share price closed at €2.99 and as a result the valuation of the Bank of Piraeus shares was €1,998,112.35, a gain of €1,436,769.75 compared to the valuation on 31.12.2018 which, in accordance with IFRS 9, is reported in Other Comprehensive Income (OCI), thus reducing the relevant reserve that had been formed (see note 5.38).

The change in the value of the Bank of Piraeus shares, as well as the 0.779% participation in Boursa Kuwait are analyzed below:

(Amounts in thousand euro, unless otherwise noted) 144

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Balance - start of the fiscal year	562	2,051	562	2,051
Profit / (Loss) from the valuation of the participation recognized in the Statement of Comprehensive Income	1,436	(1,490)	1,436	(1,490)
	1,998	**561**	**1,998**	**561**
Participation in Boursa Kuwait	1,039	0	1,039	0
Balance - end of the period	**3,037**	**561**	**3,037**	**561**

The shares of Boursa Kuwait are traded on the OTC platform starting on 15.01.2020, while the exchange rate on 31.12.2019 was 2.942 EUR/KWD. The exchange rate on 31.12.2019 increased the participation in Kuwait by €7.0 thousand.

5.35. Cash and cash equivalents

The cash at hand and at bank of the Group are invested in short term interest bearing instruments in order to maximize the benefits for the companies of the Group, in accordance with the policy set by the Strategic Investments Committee of the Company. By placing its cash in short term interest bearing investments, the Group had income of €366 thousand in 2019 (2018: €565 thousand); for the Company, the corresponding income was €175 thousand (2018: €321 thousand).

On 31.12.2019, a significant portion (40.85%) of the cash of the Group is, due to compliance of ATHEXClear with the EMIR Regulation, kept at the Bank of Greece (BoG).

Deposits of the Group at the BoG carry a negative interest rate of 0.5% from 18.09.2019 onwards.

Expenses and bank commissions over the same period amounted to €145 thousand for the Group (2018: €135 thousand), and €71 thousand for the company (2018: €10 thousand).

In accordance with IFRS 16, bank expenses include financial expenses for leases which amounted to €2 thousand for the Group and €60 thousand for the Company in 2019.

The breakdown of the cash at hand and at bank of the Group is as follows:

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Deposits at the Bank of Greece	29,996	29,605	0	0
Sight deposits in commercial banks	1,322	1,942	488	1,039
Time deposits < 3 months	42,100	43,052	16,794	21,704
Cash at hand	8	9	1	3
Total	**73,426**	**74,608**	**17,283**	**22,746**

5.36. Third party balances in bank accounts of the Group

This essentially is a memo account for the margins that ATHEXClear receives from its Members for the derivatives market and, starting on 16.02.2015, for the cash market. ATHEXClear manages Member margins, which in accordance with the investment policy for deposits, are placed with the BoG.

Implementation of the ATHEXClear investment policy begun together with the application of the new clearing model and risk management in the derivatives market on 1.12.2014. The amounts of €186,394 thousand on 31.12.2019 and €153,358 thousand on 31.12.2018 respectively shown below and in the Statement of Financial

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Position on 31.12.2019 and 31.12.2018 respectively, concern exclusively Member collaterals in the cash and derivatives markets as well as XNET respectively.

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Clearing Fund collaterals – Cash Market	13,089	12,151	0	0
Additional Clearing Fund collaterals – Cash Market	107,272	99,838	0	0
Clearing Fund collaterals – Derivatives Market	12,793	6,488	0	0
Additional Clearing Fund collaterals – Derivatives Market	51,684	33,307	0	0
Members Guarantees in cash for X-NET (1)	1,556	1,574	1,428	1,398
Third party balances	**186,394**	**153,358**	**1,428**	**1,398**

(1) Margins received by the Company for the XNET market on 31.12.2019 amounted to €1.43m and were kept in commercial bank accounts, as are dormant client balances of the Clearing Fund amounting to €35 thousand. In addition, the amount of €94 thousand concerning returns from interest payments to clients exempted or in the special account is also kept in commercial banks.

5.37. Deferred Tax

The deferred taxes accounts are analyzed as follows:

	Group		Company	
Deferred taxes	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Deferred tax claims	857	1,467	480	1,419
Deferred tax liabilities	(1,917)	(1,483)	0	0
Total	**(1,060)**	**(16)**	**480**	**1,419**

The deferred tax claims and liabilities for the Group are as follows:

Deferred tax claims	Intangible assets	Property plant & equipment	Provisions - Actuarial study & staff retirement obligations	Other provisions	IFRS 16	Loss from the sale of securities in previous FY	Total
Balance 1.1.2018	**51**	**66**	**540**	**887**		**136**	**1,680**
(Debit) / credit to the results	(6)	41	(92)	364		(136)	**171**
(Debit) / credit to other comprehensive income	0	0	0	0		0	**0**
Balance 31.12.2018	**45**	**107**	**448**	**1,251**		**0**	**1,851**
(Debit) / credit to the results	(10)	(46)	(22)	(985)	(1)	0	**(1,064)**
(Debit) / credit to other comprehensive income	0	0	70			0	**70**
Balance 31.12.2019	**35**	**61**	**496**	**266**		**0**	**857**

Deferred tax liabilities	Property plant & equipment	Share valuation provision	Total
Balance 1.1.2018	**(1,931)**	**(76)**	**(2,007)**
Debit / (credit) to the results	416	0	416
Debit / (credit) to other comprehensive income	(650)	373	(277)
Balance 31.12.2018	**(2,165)**	**297**	**(1,868)**
Debit / (credit) to the results	298	0	298

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Debit / (credit) to other comprehensive income	0	(347)	(347)
Balance 31.12.2019	**(1,867)**	**(50)**	**(1,917)**

The deferred tax claims and liabilities for the Company are as follows:

Deferred tax claims	Intangible assets	Property plant & equipment	Provisions - Actuarial study & staff retirement obligations	Other provisions	IFRS 16	Loss from the sale of securities in previous FY	Total
Balance 1.1.2018	**12**	**66**	**330**	**704**		**136**	**1,248**
(Debit) / credit to the results	2	41	(51)	17		(136)	**(127)**
(Debit) / credit to other comprehensive income	0	0	0	0		0	**0**
Balance 31.12.2018	**14**	**107**	**279**	**721**		**0**	**1,121**
(Debit) / credit to the results	(1)	(46)	(8)	(580)	4	0	**(631)**
(Debit) / credit to other comprehensive income	0	0	41	0		0	**41**
Balance 31.12.2019	**13**	**61**	**312**	**141**		**0**	**531**

Deferred tax liabilities	Share valuation loss provision	Total
Balance 1.1.2018	**(76)**	**(76)**
Debit / (credit) to the results	0	0
Debit / (credit) to other comprehensive income	373	373
Balance 31.12.2018	**297**	**297**
Debit / (credit) to the results	0	0
Debit / (credit) to other comprehensive income	(347)	(347)
Balance 31.12.2019	**(50)**	**(50)**

Other data concerns the tax corresponding to the valuation of participations and securities.

5.38. Contractual obligations

As part of IFRS 15, revenue from new listings at ATHEX, as well as rights issues that take place during the fiscal year are considered to concern not only the fiscal year during which they are paid, but must be recognized and allocated to the duration that the company remains listed at ATHEX, during which the service is expected to be provided.

GROUP *(amounts in €)*	Short-term contractual obligations	Long-term contractual obligations
New listings	116,793	350,380
Rights issues	321,802	321,802
	438,596	**672,182**

COMPANY *(amounts in €)*	Short-term contractual obligations	Long-term contractual obligations
New listings	104,184	312,552
Rights issues	84,852	84,852
	189,036	**397,404**

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5.39. Equity and reserves

a) Share Capital

The Annual General Meeting of shareholders of 30.05.2019 approved a share capital return of €0.11 to shareholders, with a corresponding reduction in the share par value. Thus, the share capital of the Company amounts to €31,001,840.00, divided into 60,348,000 shares with a par value of €0.58 per share.

	Number of shares	Par value (€)	Share Capital (€)	Share Premium (€)
Total 31.12.2016	**65,368,563**	**1.08**	**70,598,048.04**	**157,084.15**
Share capital reduction (May 2017)		(0.24)	(15,688,455.12)	
Total	**65,368,563**	**0.84**	**54,909,592.92**	
Reduction of Share Capital through cancellation of Own Shares	(4,769,563)	0.84	(4,006,432.92)	
Total 31.12.2017	**60,599,000**	**0.84**	**50,903,160.00**	**157,084.15**
Share capital reduction		(0.15)	(9,089,850.00)	
Total	**60,599,000**	**0.69**	**41,813,310.00**	
Reduction of Share Capital through cancellation of Own Shares	(251,000)	0.69	(173,190.00)	
Total 31.12.2018	**60,348,000**	**0.69**	**41,640,120.00**	**157,084.15**
Share capital reduction		(0.11)	(6,638,280.00)	
Total 31.12.2019	**60,348,000**	**0.58**	**35,001,840.00**	**157,084.15**

Following the decision of the General Meeting of shareholders of the Company on 20.5.2015 a share buyback program was implemented (see below note c).

b) Reserves

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Regular Reserve (1)	29,609	29,506	28,116	28,116
Tax free and specially taxed reserves (2)	10,736	10,736	10,281	10,281
Treasury stock reserve (3)	(12,669)	(12,669)	(12,669)	(12,669)
Real estate revaluation reserve	15,819	15,819	14,383	14,383
Real estate revaluation reserve (Law 2065/1992)	1,949	1,949	0	0
Other (4)	5,983	5,983	5,983	5,983
Special securities valuation reserve (5)	(1,416)	(2,508)	(1,416)	(2,508)
Reserve from stock option plan to employees	1,385	1,385	1,336	1,336
Total	**51,396**	**50,201**	**46,014**	**44,922**

(1) ATHEXClear regular reserve: €254 thousand; ATHEXCSD regular reserve: €1,240 thousand.

(2) Reserves in this category include taxed reserves - €595 thousand (ATHEX - €141 thousand; ATHEXCSD - €454 thousand).

(3) Reflects the value of the treasury stock purchased minus the treasury stock that was cancelled.

(4) Concerns a special dividend reserve for 2015 - €5,696 thousand; dividend reserve for 2017 - €247 thousand; and specially taxed reserves - €40 thousand.

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(5) The Group has invested part of its cash assets in shares of an ATHEX listed company which it has classified as financial assets at fair value through other income in accordance with IFRS 9 (note 5.33). On 31.12.2018 the shares posted a valuation loss of €1,490,230.95 which was charged to the special securities valuation reserve from which the amount of €372,557.74 (25% x €1,490,230.95) was subtracted and transferred to deferred tax. In addition, the relevant valuation loss which had been recognized in fiscal year 2016 and amounted to €1,575,236.15 was transferred on 1.1.2018 from retained earnings to the special securities valuation reserve. Thus the end balance of the special reserve on 31.12.2018 was €2,507,868. On 31.12.2019 the shares posted a valuation gain of €1,436,769.75 which was recognized in the special securities valuation reserve, from which deferred tax of €344,824.74 (24% x €1,436,769.75) was subtracted. Thus the debit balance of the special reserve on 31.12.2019 was €1,415,923.

c) Share Buyback program

The company completed a share buyback program on 20.4.2017. The program was approved by the 14th Annual General Meeting of shareholders on 20.5.2015 with the following terms:

- Buy back up to 10% of the share capital
- Buyback price per share: from €1.50 to €7.00
- Duration of the program: 2 years (until end of May 2017)
- Purpose of the program: at least 95% of the shares that will be bought back will be cancelled - the remaining 5% of the shares may be distributed to the personnel of the Group.

The share buyback program begun on 9.2.2016, and up until 20.4.2017, 5,020,563 own shares were purchased (7.68% of the number of shares outstanding of the company) at an average price of €4.63 per share and a total cost of €23,244,794.

Out of the abovementioned treasury stock, 95% (4,769,563 shares) were cancelled by the 1st Repetitive General Meeting on 9.6.2017. Following the cancellation of the abovementioned number of shares and the €4,006,432.92 reduction in share capital, 251,000 shares in treasury stock, valued at €1,161,717.49 remain in the possession of the Company. Lastly, the Repetitive General Meeting on 13.06.2018 decided to cancel the remaining 251,000 shares in treasury stock with a value of €173,190 and as a result the share capital became €41,640,120.00 and the number of shares outstanding 60,348,000.

There is no share buyback program currently in effect.

d) Retained Earnings

The retained earnings of €18,740 thousand on 31.12.2018 increased by €2,733 thousand (which is the sum of the €5,852 in comprehensive income after taxes for fiscal year 2019 minus €3,017 thousand in retained earnings used for dividend distribution and €102 thousand for the formation of a regular reserve) and amounted to €21,473 thousand at the end of 2019.

e) Capital Requirements

According to the EMIR Regulation (article 45 of the EU 20. 648/2012) a clearing house must keep lines of defense in case of member's default (default water fall).

In accordance with article 35 of the technical standards, for clearinghouses the amount of the own assets of central counterparties that are used as line of defense in case of default is calculated, and in particular:

- The central counterparty maintains and reports separately on its balance sheet the amount of special own assets earmarked for the purposes mentioned in article 45 paragraph 4 of Regulation (EU) 648/2012.
- The central counterparty calculates the minimum amount specified in paragraph 1 by multiplying the minimum capital requirement by 25%, including undistributed profits and reserves for the purposes

mentioned in article 16 of Regulation (EU) 648/2012 and by authorization Regulation (EU) 152/2013 of the Commission (1).

The Central Counterparty reviews the minimum amount in question on an annual basis.

Based on the above, as a recognized clearing house, ATHEXClear drafted a report "Methodology for calculating capital requirements", in cooperation with consultants, in which the methodology applied was described in order to estimate the capital requirements for credit risk, counterparty risk, market risk, termination risk, operating risk and business risk. The methodology applied was based on the following:

- Regulations (EU) 648/2012, (EU) 152/2013 and (EU) 153/2013
- Regulation (EU) 575/2013
- FSA: Prudential sourcebook for Banks, Building Societies and Investment Firms
    - BIRBU 13,4 CCR mark to market method
    - BIRBU 5,4 Financial collateral
    - BIRBU 3 Standardized credit risk

Based on the above, ATHEXClear regularly calculates its capital requirements which are required in order to fulfill its regulatory obligations on a quarterly basis, and reports it in its financial statements.

If ATHEXClear equity, as calculated above, is less than 110% of the capital requirements, or less than 110% of the €7.5m threshold notification, ATHEXClear will immediately notify the relevant authority (Hellenic Capital Market Commission), and will continue to keep it informed on a weekly basis, until the amount of capital it possesses exceeds the notification threshold.

ATHEXClear's capital requirements on 31.12.2019 are broken down in the table below:

Capital requirements Risk type	Capital requirements 31.12.2019
Credit risk (total)	216
Derivatives market	0
Cash market	0
Investment of own assets	216
Market risk	0
Exchange rate risk	0
Operating risk	171
Winding down risk	3,803
Business risk	1,902
Total Capital requirements	**6,092**
Notification Threshold (110% of capital requirements)	**6,701**
Additional special resources (25% of capital requirements of 31.12.2019)	**1,523**

ATHEXClear equity amounting to €31m, as reported in the statement of financial position of ATHEXClear on 31.12.2019, exceeds its capital requirements, as calculated above.

The additional special resources of €1,523 thousand that correspond to 25% of the capital requirements on 31.12.2019 are distributed as follows: €770 thousand to the cash market and €753 thousand to the derivatives market on 31.12.2019.

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5.40. Grants and other long term liabilities

The Group shows an amount of €50 thousand in 2019 in withholding on employee compensation (Law 103/75) and concerns the Company.

5.41. Provisions

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Staff retirement obligation (note 5.20)	2,069	1,794	1,303	1,118
Total	**2,069**	**1,794**	**1,303**	**1,118**

The change in provisions on 31.12.2019 and 31.12.2018 for the Group and Company is shown below:

Group	Personnel termination provision	Provisions for other risk
Balance on 31.12.2017	**1,840**	**1,360**
Additional provision in the period	0	0
Provision used	(46)	0
Balance on 31.12.2018	**1,794**	**1,360**
Additional provision in the period	275	0
Provision used	0	(1,300)
Balance on 31.12.2019	**2,069**	**60**

Company	Personnel termination provision	Provisions for other risk
Balance on 31.12.2017	**1,143**	**1,300**
Additional provision in the period	0	0
Provision used	(25)	0
Balance on 31.12.2018	**1,118**	**1,300**
Additional provision in the period	185	0
Provision used	0	(1,300)
Balance on 31.12.2019	**1,303**	**0**

By taking provisions, the Group and the Company are trying to protect themselves against potential future risks.

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Obligations to employees

The changes in the mandatory compensation payments in 2019 and 2018 are shown in detail in the following table:

Accounting Presentation in accordance with revised IAS 19 (amounts in €)	Group	
	31.12.2019	31.12.2018
Amounts recognized in the Statement of Financial Position		
Present values liabilities	2,068,687	1,793,512
Net obligation recognized in the Statement of Financial Position	**2,068,687**	**1,793,512**
Amounts recognized in the Profit & Loss Statement		
Cost of current employment	34,119	26,808
Net Interest on the liability/asset	31,745	29,990
Regular expense in the Profit & Loss Statement	**65,864**	**56,798**
Cost of personnel reduction / mutual agreements/retirement	149,275	799,356
Total expense recognized in the Profit & Loss Statement	**215,139**	**856,154**
Change in the present value of the liability		
Present value of the obligation at the beginning of the period	1,793,512	1,839,832
Cost of current employment	34,119	26,808
Interest expense	31,745	29,990
Benefits paid by the employer	(182,344)	(894,409)
Cost of personnel reduction / mutual agreements/retirement	149,275	799,356
Additional payments or expenses	(54,242)	0
Actuarial loss/(profit) - financial assumptions	199,007	(29,421)
Actuarial loss/(profit) - demographic assumptions	64,210	0
Actuarial loss/(profit) - experience of the period	33,405	21,356
Present value of the liability at the end of the period (note 5.40)	**2,068,687**	**1,793,512**
Adjustments		
Adjustments to liabilities from changes in assumptions	(263,217)	29,421
Experience adjustments in liabilities	(33,405)	(21,357)
Total recognized in equity	**(296,622)**	**8,064**
Changes in net liability recognized in the balance sheet		
Net liability at the start of the year	1,793,512	1,839,832
Benefits paid by the employer	(182,344)	(894,409)
Total expense recognized in the Profit & Loss Statement	160,897	856,153
Total amount recognized in equity	296,622	(8,064)
Net Liability at the end of the year(note 5.40)	**2,068,687**	**1,793,512**

Accounting Presentation in accordance with revised IAS 19 (amounts in €)	Company	
	31.12.2019	31.12.2018
Amounts recognized in the Balance Sheet		
Present values liabilities	1,302,796	1,117,744
Net obligation recognized in the Statement of Financial Position	**1,302,796**	**1,117,744**
Amounts recognized in the Profit & Loss Statement		
Cost of current employment	14,945	12,885
Net Interest on the liability/asset	19,784	18,634
Regular expense in the Profit & Loss Statement	**34,729**	**31,519**
Cost of personnel reduction / mutual agreements/retirement	16,094	381,478
Other expense / (revenue)	(9,316)	(1,007)
Total expense recognized in the Profit & Loss Statement	**41,507**	**411,990**

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Change in the present value of the liability		
Present value of the obligation at the beginning of the period	1,117,744	1,143,171
Cost of current employment	14,945	12,885
Interest expense	19,784	18,634
Benefits paid by the employer	(29,710)	(431,369)
Cost of personnel reduction / mutual agreements/retirement	16,094	381,478
Additional payments or expenses	(9,316)	(1,007)
Actuarial loss/(profit) - financial assumptions	110,426	(15,461)
Actuarial loss/(profit) - demographic assumptions	37,690	0
Actuarial loss/(profit) - experience of the period	25,139	9,413
Present value of the liability at the end of the period (note 5.40)	**1,302,796**	**1,117,744**
Adjustments		
Adjustments to liabilities from changes in assumptions	(148,116)	15,461
Experience adjustments in liabilities	(25,139)	(9,413)
Total recognized in equity	**(173,255)**	**6,048**
Changes in net liability recognized in the balance sheet		
Net liability at the start of the year	1,117,744	1,143,171
Employer contributions	(29,710)	(431,369)
Benefits paid by the employer	0	411,990
Total expense recognized in the Profit & Loss Statement	41,507	0
Total amount recognized in equity	173,255	(6,048)
Net Liability at the end of the year (note 5.40)	**1,302,796**	**1,117,744**

The actuarial assumptions used in the actuarial study for the Group in accordance with IAS 19 are as follows:

Actuarial assumptions	Valuation dates	
	31.12.2019	31.12.2018
Discount rate	0.96%	1.77%
Increase in salaries (long term)	1.00%	1.00%
Inflation	1.00%	1.00%
Mortality table	E V K 2000 (Swiss table)	E V K 2000 (Swiss table)
Personnel turnover	0.50%	0.50%
Regular retirement age	Based on the rules of the Social security fund in which each employee belongs	Based on the rules of the Social security fund in which each employee belongs
Duration of liability	16.10	16.20

Other provisions have been made to cover the Company and the Group mainly against the tax case of the Company for the tax audit for fiscal years 2008 – 2010, for which an appeal has been filed, the case has been heard, and the outcome is expected.

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Other provisions	60	1,360	0	1,300
Total	**60**	**1,360**	**0**	**1,300**

5.42. Trade and other payables

All liabilities are short term and, therefore, no discounting on the date of the financial statements is required. The breakdown of suppliers and other liabilities are shown in the following table:

(Amounts in thousand euro, unless otherwise noted) 153

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Suppliers	1,942	2,425	972	1,503
Suppliers (intra-Group)	0	0	0	3
Checks payable	73	77	2	5
Hellenic Capital Market Commission Fee (1)	645	425	240	153
Dividends payable	32	30	32	30
Accrued third party services (2)	284	507	139	260
Employee remuneration payable (3)	877	41	409	22
Share capital return to shareholders (4)	110	101	110	101
Prepaid non accrued expenses (5)	156	0	156	0
Various creditors	16	39	(44)	0
Total	**4,135**	**3,645**	**2,016**	**2,077**

(1) The Hellenic Capital Market Commission fee of €645 thousand (compared to €425 thousand in 2018) is calculated based on the value of the trades in the cash and derivatives market and is turned over to the Hellenic Capital Market Commission within two months following the end of each 6-month period. The amount concerns the second half of 2019.

(2) Accrued third party services include: €34 thousand – FTSE provisions; €65 thousand – Deloitte fee; €18 thousand – attorney fees; €92 thousand – maintenance provisions; €25 thousand – E/Y provision and systems audit.

(3) Concerns a provision for bonuses – ATHEX - €410 thousand; ATHEXCSD - €314 thousand; ATHEXClear - €153 thousand.

(4) Includes the remainder of the obligation to pay the share capital return of €0.11 per share that was approved by the General Meeting of 30.05.2019 amounting to €6.6m, besides the unpaid balances of previous capital returns to shareholders.

(5) Concerns a provision for ATHEXNet discount to members for 2019.

5.43. Taxes payable

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Tax on stock sales 0.20% (1)	3,155	2,124	0	0
Tax on salaried services	241	262	140	146
Tax on external associates	2	1	0	0
VAT-Other taxes	404	273	290	185
Total	**3,802**	**2,660**	**430**	**331**

(1) ATHEXCSD, as successor to the Central Securities Depository, based on article 9 §2 of Law 2579/88 as amended by Law 2742/99, acts as an intermediary and collects from ATHEX members the tax (0.20%) on stock sales that take place on ATHEX which it turns over to the Greek State. The amount of €3.2m corresponds to the tax (0.20%) on stock sales that has been collected for December 2019 and was turned over to the Greek State in January 2020.

(Amounts in thousand euro, unless otherwise noted) 154

5.44. Social security organizations

The obligations to social security organizations for the Group include contributions to [social security organizations] IKA, TSMEDE (now EFKA), as well as a provision for the Occupational Insurance Fund that is being set up. In 2019 the amount was €1,096 thousand compared to €984 thousand on 31.12.2018. For the Company, the corresponding amounts were €895 thousand in 2019 compared to €780 thousand on 31.12.2018.

5.45. Current income tax and income taxes payable

Nondeductible expenses mainly include provisions, various expenses as well as amounts which the Company considers that they will not be considered justifiable production expenses in a potential tax audit and which are adjusted by management when the income tax is calculated.

Tax liabilities	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Liabilities 31.12	(374)	(168)	(295)	(464)
Income tax expense	2,632	1,572	558	543
Taxes paid	(867)	(1,778)	(210)	(374)
Liabilities / (claims) (note 5.32)	**1,391**	**(374)**	**53**	**(295)**

The amount of €1,391 thousand shown as Group income tax claim on 31.12.2019 breaks down as follows: claim on ATHEXClear - €60 thousand; ATHEX (parent company) - €53 thousand; and €1,278 thousand from ATHEXCSD.

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Income Tax	2,632	1,572	558	543
Deferred Tax	769	(591)	635	125
Income tax expense	**3,402**	**981**	**1,193**	**669**

In accordance with article 22 of Law 4646/2019, the corporate income tax rate for fiscal year 2019 is reduced to 24% from 29% in 2018.

Reconciliation of the income tax with profits/losses before tax on the basis of the applicable ratios and the tax expense is as follows:

	Group		Company	
Income tax	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Profits before taxes	9,482	4,008	5,616	2,438
Income tax rate	24%	29%	24%	29%
Expected income tax expense	2,276	1,162	1,348	707
Effect from change in income tax rate	(659)		(737)	
Tax effect of non-taxable revenue		(181)	0	(38)
Tax effect of non-deductible expenses	1,785	0	582	0
Income tax expense	**3,402**	**981**	**1,193**	**669**

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Non-taxable income refers mainly to dividend income from subsidiaries, which is eliminated on a consolidated basis. Thus the tax rate calculated on the accounting profits increases, since the corresponding taxable profits are larger. Furthermore, the resulting effective tax rate on the consolidated profits is larger than the nominal tax rate in effect because – during the current fiscal year- there are intra-Group transactions.

The effect from the change in the corporate income tax rate was €492 thousand in the results and €549 thousand in other comprehensive income.

The losses from the valuation of shares have a different accounting treatment in IFRS compared to tax accounting, and are the main reason for the creation of deferred tax.

Tax Compliance Report

For fiscal years 2011 to 2015, the Greek Sociétés Anonymes and Limited Liability Companies whose annual financial statements must be audited were required to obtain an "Annual Certificate", as provided for in §5 article 82 of Law 2238/1994 and article 65A Law 4174/2013, which is issued after a tax audit carried out by the same statutory auditor or audit firm that audits the annual financial statements. After completion of the tax audit, the statutory auditor or the audit firm issues to the company a "Tax Compliance Report" which is then submitted electronically to the Ministry of Finance.

Starting with fiscal year 2016, the issuance of an "Annual Certificate" is optional. The tax authorities reserve the right to carry out a tax audit within the established framework as defined in article 36 of Law 4174/2013.

Unaudited fiscal years

The status of the tax audits for the companies of the Group, by fiscal year, is as follows:

	2008	2009	2010	2011	2012	2013	2014					
ATHEX to 30.06.2014	x	x	x	x	x	x	x	2015	2016	2017	2018	2019
ATHENS EXCHANGE (ATHEX)		appeal		x	x	x	x	x	x	x	x	+
ATHEXCSD (former TSEC)	x	x	x	x	x	x	x	x	x	x	x	+
ATHEXClear	x	x	x	x	x	x	x	x	x	x	x	+

(x) Tax audit completed
(+) Tax audit in progress

ATHEX: (see below concerning the tax audit for fiscal years 2008-2010).

For fiscal year 2011 the companies of the Group have been audited by PricewaterhouseCoopers S.A., and for fiscal years 2012-2016 they have been audited by Ernst and Young S.A. and have received clean "Tax Compliance Reports" in accordance with the regulations in effect (article 82, §5 of Law 2238/1994 for fiscal years 2011-2013 and article 65A of Law 4174/2013 for fiscal years 2014-2015).

For fiscal year 2018 the tax audit was carried out by PricewaterhouseCoopers S.A. in accordance with article 65A of Law 4174/2013, and the relevant tax certificate was issued in October 2019. For fiscal year 2019 the tax audit is in progress and the tax certificate is expected to be issued following the publication of the 2019 annual financial report.

Tax audit of the Company for fiscal years 2008, 2009 and 2010

On 30.9.2016, within the time limits of the law, the Company filed an administrative appeal in accordance with article 63 of Law 4174/2013 at the Dispute Settlement Directorate (DED) of the General Secretariat of Public Revenue (GGDE), against the findings of the tax audit, and at the same time paid 100% of the amount due i.e. €1,562 thousand, in order to avoid the accumulation, calculation and assessment of interest for the duration of the suspension of the sum due (article 53 §1 of law 4174/2013).

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The finding by DED, which was received on 15.2.2017, reduces the total amount by €579 thousand, to €983 thousand. This difference has already been offset with an equal amount of Company tax obligations by the appropriate tax office. The Company has further appealed (16.03.2017) to the Administrative Courts in order to reduce the tax and penalties assessed by the tax audit. The Company received a summons from the Administrative Court of Appeals and was presence for the adjudication of the case on 6.3.2018. Decision 3901/2018 of the Administrative Court of Appeals of Athens refers the case to the Three member Administrative Court of First Instance of Athens. The case has been referred to the Court of First Instance, where it was heard on 24.9.2019 and the decision is expected in the next few months.

5.46. Related party disclosures

The value of transactions and the balances of the Group with related parties are analyzed in the following table:

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Remuneration of executives and members of the BoD	1,370	1,490	954	1,015

The intra-Group balances on 31.12.2019 and 31.12.2018, as well as the intra-Group transactions of the companies of the Group on 31.12.2019 and 31.12.2018 are shown below:

INTRA-GROUP BALANCES (in €) 31-12-2019				
		ATHEX	ATHEXCSD	ATHEXCLEAR
ATHEX	Claims	0	446,609	0
	Liabilities	0	0	0
ATHEXCSD	Claims	0	0	120,246
	Liabilities	446,609	0	1,600
ATHEXCLEAR	Claims	0	1,600	0
	Liabilities	0	120,246	0

INTRA-GROUP BALANCES (in €) 31-12-2018				
		ATHEX	ATHEXCSD	ATHEXCLEAR
ATHEX	Claims	0	404,920	0
	Liabilities	0	3,069	0
ATHEXCSD	Claims	3,069	0	20,047
	Liabilities	404,920	0	1,611
ATHEXCLEAR	Claims	0	1,611	0
	Liabilities	0	20,047	0

(Amounts in thousand euro, unless otherwise noted) 157

INTRA-GROUP REVENUES-EXPENSES (in €) 31-12-2019				
		ATHEX	ATHEXCSD	ATHEXCLEAR
ATHEX	Revenue	0	386,451	110,522
	Expenses	0	315,069	0
	Dividend Income	0	3,210,400	0
ATHEXCSD	Revenue	315,069	0	5,940,953
	Expenses	386,451	0	26,006
ATHEXCLEAR	Revenue	0	26,006	0
	Expenses	110,522	5,940,953	0

INTRA-GROUP REVENUES-EXPENSES (in €) 31-12-2018				
		ATHEX	ATHEXCSD	ATHEXCLEAR
ATHEX	Revenue	0	402,376	109,822
	Expenses	0	308,833	0
	Dividend Income	0	802,600	0
ATHEXCSD	Revenue	308,833	0	5,085,351
	Expenses	402,376	0	16,258
ATHEXCLEAR	Revenue	0	16,258	0
	Expenses	109,822	5,085,351	0

Intra-Group transactions concern: the annual fee for trade settlement (art. 1 decision 1 on fees), settlement instructions (art. 1 decision 1 on fees), support services (accounting, security, administrative services etc.), IT services, as well as PC support services, which are invoiced at prices comparative to those between third parties.

For the affiliated company Hellenic Energy Exchange, the table of claims and revenue for 2019 and 2018 follows below:

Claims (in €)	31.12.2019	31.12.2018
ATHEX	224,323	112,223
ATHEXCSD	80,178	263,725
ATHEXClear	9,300	0

Revenue (in €)	31.12.2019	31.12.2018
ATHEX	325,815	69,441
ATHEXCSD	274,300	110,142
ATHEXClear	30,000	0

5.47. Earnings per share and dividends payable

The BoD of the Athens Exchange proposed the distribution of €0.05 per share, i.e. a payout of €3,017,400, as dividend from the earnings of fiscal year 2018, as well as the return of capital to shareholders of €0.11 per share, i.e. a payout of €6,638,280. The proposals of the BoD for the distribution of dividend and the return of capital were approved by shareholders at the 18th Annual General Meeting on 30.5.2019.

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The net after tax earnings of the Group for 2019 were €6.0 million or €0.099 per share, while after including other comprehensive income, earnings were €6.8 million or €0.113 per share. The number of shares outstanding of the Company is 60,348,000.

5.48. Revenue from participations

Revenue from participations refers to the 21% participation of the Company in the Hellenic Energy Exchange (HenEx) (notes 5.46 and 5.32). In particular, it includes the participation in the earnings for fiscal year 2018 in the amount of €21 thousand approved by the HenEx BoD, as well as an estimate of €86 thousand for fiscal year 2019 earnings. The internal value of the participation of the Company in HenEx on 31.12.2019 increased in proportion to its participation in the share capital of HenEx, i.e. by €107 thousand on 31.12.2019.

5.49. Composition of the BoDs of the companies of the Group

The current members of the Boards of Directors of the companies of the ATHEX Group are listed in the following tables.

The composition of the Board of Directors that was elected by the Annual General Meeting of the Company on 30.05.2019, with a four-year term of office, is the following:

HELLENIC EXCHANGES - ATHENS STOCK EXHANGE S.A. HOLDING	
Name	**Position**
George Handjinicolaou	Chairman, non-executive member
Alexios Pilavios	Vice Chairman, non-executive member
Socrates Lazaridis	Chief Executive Officer, executive member
Alexandros Antonopoulos	Independent non-executive member
Konstantinos Vassiliou	Non-executive member
Giorgos Doukidis	Independent non-executive member
Ioannis Emiris	Non-executive member
Polyxeni Kazoli	Independent non-executive member
Sofia Kounenaki – Efraimoglou	Independent non-executive member
Ioannis Kyriakopoulos	Non-executive member
Adamantini Lazari	Independent non-executive member
Spyridoula Papagiannidou	Independent non-executive member
Nikolaos Chryssochoidis	Non-executive member

The composition of the Boards of Directors of the subsidiaries ATHEXClear and ATHEXCSD is the following:

ATHENS EXCHANGE CLEARING HOUSE S.A	
Name	**Position**
Alexios Pilavios	Chairman, non-executive member
Gikas Manalis	Vice Chairman, non-executive member
Socrates Lazaridis	Chief Executive Officer, Executive member
Andreas Mitafidis	Independent non-executive member
Nikolaos Pimplis	Executive member
Charalambos Saxinis	Independent non-executive member
Dionysios Christopoulos	Independent non-executive member

HELLENIC CENTRAL SECURITIES DEPOSITORY S.A.	
Name	**Position**
George Handjinicolaou	Chairman, non-executive member
Adamantini Lazari	Vice Chairman, Independent non-executive member
Socrates Lazaridis	Chief Executive Officer, Executive member
Theano Karpodini	Independent non-executive member
Polyxeni Kazoli	Independent non-executive member
Spyridoula Papagiannidou	Independent non-executive member
Nikolaos Pimplis	Executive member

5.50. Contingent Liabilities

The Group is involved in legal proceedings with employees, members of the Athens Exchange, listed companies as well as with third parties. The management of the Group and its legal counsel estimate that the outcome of these cases will not have a significant effect on the financial position or the results of the operation of the Group and the Company.

In order to reduce client receivables, the Group takes all legal courses of action provided by the law and the Regulations. In this context, out-of-court complaints and lawsuits have been submitted, which will be judged by the courts. A significant part of the receivables is estimated to be recoverable by the companies of the Group.

5.51. Events after the date of the financial statements

The rapid spread of the coronavirus (COVID-19) disease, finds the world financial system and business to a large degree unprepared. The world economy is entering a period of uncertainty and instability, the consequences of which are difficult to estimate based on the facts so far. The economic impact will depend on the duration, the intensity and the spread of the disease in Greece and across the world.

At the same time, the critical period that we are facing and the financial impact of the pandemic have brought about major changes in our work routine.

Companies are now required to operate under complex and adverse conditions, while ensuring a safe and effective environment for both their staff as well as their clients and partners.

In this context, the Athens Exchange has implemented a series of preventive measures, supporting from the start the national initiative and following the recommendations of those responsible for taking specific measures to contain the spread of the virus.

Following confirmation of a case affecting a member of the Group's management, we took swift action to protect our staff, our partners and our customers. We carry out regular disinfections of the office building of the companies of the Group and immediately implemented work from home for up to 90% of our staff.

By utilizing our technological infrastructure, we have created a strong crisis response mechanism, which ensures both seamless business continuity and systems security (including cyber security and data protection systems in a remote work environment). The Group continues to operate smoothly until the date of this report, as Management has taken the necessary measures to limit the extent of the financial impact of the COVID-19 pandemic to the extent that there is no material uncertainty regarding the continued operation of the Group in the short-term.

Additional significant factors that contribute to this conclusion is the fact that the Group has a strong financial position, without external borrowing, and sufficient liquidity in order to meet the maturity of its liabilities. The strong capital adequacy of the Group is consistent with the appetite for risk taking to the extent that it enables the reliable, secure and seamless operation of the capital market. In addition, the Group may adjust its investment plan by considering delaying or even postponing investments depending on current developments.

However, there is a high degree of uncertainty in the long-term concerning the duration, the intensity and the extent of the disease. As a result, an estimation of the macroeconomic conditions at the global level and by extension of the financial consequences at the Group level in the long-term cannot be reliably and reasonably determined at this stage.

There is no other event that has a significant effect in the results of the Company and the Group which has taken place or was completed after 31.12.2019, the date of the 2019 annual financial statements and up until the approval of the annual financial statements by the Board of Directors of the Company on 30.03.2020.

Athens, 30 March 2020

THE CHAIRMAN OF THE BoD

GEORGE HANDJINICOLAOU ____________________________

THE CHIEF EXECUTIVE OFFICER

SOCRATES LAZARIDIS ____________________________

THE CHIEF FINANCIAL OFFICER

NICK KOSKOLETOS ____________________________

THE DIRECTOR OF FINANCIAL MANAGEMENT

CHRISTOS MAYOGLOU ____________________________

THE DEPUTY DIRECTOR OF FINANCIAL CONTROL, BUDGETING & INVESTOR RELATIONS

CHARALAMBOS ANTONATOS ____________________________