HELLENIC EXCHANGES – ATHENS STOCK EXCHANGE S.A.

SIX MONTH 2020 FINANCIAL REPORT

For the period 1 January 2020 – 30 June 2020

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 30.06.2020 and the results for the 1st half of 2020 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 the 1st half of 2020 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 the 1st half of 2020 are those that have been approved by the Board of Directors of HELLENIC EXCHANGES-ATHENS STOCK EXCHANGE S.A. (ATHEX) on 27.07.2020 and have been published by being uploaded on the internet, at www.athexgroup.gr.

Athens, 27 July 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 PERIOD 1 JANUARY to 30 JUNE 2020

(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 interim Financial Statements for the period that ended on 30.06.2020, in accordance with Law 4548/2018 and article 5 of Law 3556/2007.

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

Business Development

A. Significant information on the Athens Stock Exchange markets

1. Key market data

The Athens Exchange General Index closed on 30.06.2020 at 638.90 points, 26.4% lower than the close at the end of the corresponding period in 2019 (868.48 points), and 30.3% lower than the end of 2019 (916.67 points). The average capitalization of the market was €49.3 billion, reduced by 3.9% compared to the first half of 2019 (€51.3bn), and reduced by 9.9% compared to the average capitalization of 2019 (€54.8bn).

The total value of transactions in the 1st half of 2020 (€9.0bn) is 13.0% higher compared to the 1st half of 2019 (€8.0bn), while the average daily traded value was €75.3m compared to €66.7m in the 1st half of 2019, increased by 13.0%. The average daily traded volume increased by 37.6% (49.4m shares vs. 35.9m shares).

In the derivatives market, total trading activity dropped by 13.4% (1st half 2020: 5.0m contracts, 1st half 2019: 5.8m), while the average daily traded volume also decreased by 13.4% (41.6 thousand contracts vs. 48.1 thousand).

2. Developments in the organized market

New listings of transferable securities

In the 1st half of 2020 ENTERSOFT listed in the Main Market of the Athens Stock Exchange; its shares were traded since 2008 in the Athens Stock Exchange Alternative Market. The listing took place with a share capital increase by public offer, using the Electronic Book Building [EBB] service together with a private placement, and €3.79m were raised.

Significant corporate actions – Rights issues

- AVAX, AUDIOVISUAL, TRASTOR REIC and PASAL REIC carried out rights issues, through the exercise of the preemption right by existing shareholders, raising a total of €75m.
- EUROBANK ERGASIAS changed its name to EUROBANK ERGASIAS SERVICES AND PARTICIPATION, following the completion of the carve out of the company, through the spin out of the banking sector.
- FORTHNET listed for trading new shares, which resulted from the conversion of a convertible bond.
- OPAP carried out a rights issue raising €147.3m due to the exercise of a dividend reinvestment option.
- FOURLIS HOLDING and COCA-COLA HBC AG listed new shares for trading which resulted from rights issues due to the exercise of stock options.

3. Developments in the Alternative Market

EUROXX SECURITIES increased its share capital by absorbing “ATTICA INVESTEMENT REIC” and the listing of new common registered stock.

B. Improving the operating environment, infrastructure and new technology

1. Upgrading the OASIS Platform (v5.2) and the Central Data Base (CDB)

In the context of further developing the Athens Stock Exchange and supporting the operation of third exchanges, the need to upgrade the OASIS trading platform and to create a multi-tenant CDB arose, which will give the ability to all exchanges participating in the Common Platform to have access and manage their products and markets. In the 1st half the successful activation of OASIS v5.2 and the launch of the new CDB, following two (2) general mock trading sessions in the production environment with the participation of the Athens Exchange, the Cyprus Stock Exchange, the Hellenic Energy Exchange as well as their members and data vendors.

2. Improving the environment for Issuers

In order to increase automation and improve the services provided to Issuers, a technical upgrade of the HERMES Service was implemented, the official means of communication of ATHEX with Issuers, which is necessary for the dissemination of information to market participants; the evaluation of the proposal for the automation of the procedures for the implementation of corporate actions, cash distributions and new listings, with the aim of simplifying and improving the relevant internal flows of the Group and facilitating Issuers, but also to improve the overall image of the ATHEX in a technologically advanced and competitive environment.

3. New core infrastructure

The work of the new central Infrastructures of the Group is progressing rapidly with the implementation of the Active - Active Data Center architecture, which will allow all data and applications to be available simultaneously from both the Primary site and the Disaster Site, thus significantly modernizing the operating environment.

C. New products and services

1. XNET Trader

The Group made available the Xnet Trade application to ATHEX members, in order to support the framework of the relevant provisions by MiFID II on Business Continuity Plans that members ought to have. The XNET Trader application allows order entry in the ATHEX and CSE [Cyprus Stock Exchange] markets through the internet. The only technical prerequisite is that a security certificate be installed on the PC of the user of the application. This new application is in operation since 16.03.2020 with the launching of OASIS version 5.2.

2. AXIA e-Shareholders' Meeting

The COVID-19 health crisis has caused significant difficulties for listed companies in effectively organizing and conducting General Meetings. In order to facilitate the participation of shareholders and achieve the required quorum, ATHEX has developed and made available the AXIA e-Shareholders Meeting platform through which companies can conduct their General Meetings remotely and in real time, ensuring easy access and identification of participants and votes registration by electronic means.

D. Adaptation projects

1. Adaptation to CSDR and related obligations

ATHEXCSD: Licensing under CSDR

Based on the initial planning, the submission of the complete dossier to the Hellenic Capital Market Commission was completed in the first quarter of 2020 in order for ATHEXCSD to be licensed under CSDR, and the internal decision of the HCMC Executive Committee is expected.

Study and implementation of Settlement Discipline based on CSDR

In the context of the implementation of CSDR there is an additional obligation to implement Settlement Discipline, i.e. a series of rules, practices and penalties that are harmonized across Europe and concern all securities to be settled. So far, the necessary preparation has been done internally and a relevant text has been created describing and consulting the implementation of Settlement Discipline, which has been sent to the Market Participants.

Extension of ATHEXClear's license

In accordance with the business plan that has been prepared concerning the Hellenic Energy Exchange, ATHEXClear has assumed the clearing on energy derivatives, which required the extension of its license under EMIR. In this framework, ATHEXClear submitted the relevant dossier and the application to extend the license on 13.11.2019, and was audited by the HCMC [Hellenic Capital Market Commission], ESMA [European Securities and Markets Authority] and the College. Following the concurrent opinion by ESMA and the members of the College, on 28.02.2020 the BoD of the HCMC (decision 871/28.02.2020) extended the Central Counterparty license to include clearing the following derivatives products:

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

E. Capital Markets ecosystem – Supporting entrepreneurship and extroversion

1. Strengthening IPOs

Roots Program

- Assessment of the 1st deliverable (business plan) by the Progress Review Committee and providing feedback to the companies, mentors and investment advisors that have undertaken to support and guide them.
- Completing 90% of the training program, by implementing the last workshops during the lockdown.
- Reassessment of the timeframe of the 1st Cycle, taking into consideration the effects the pandemic has apparently brought on the business plans of the participating companies.

EBRD SME Pre-Listing Support Program

- Collaboration with EBRD to begin the 2nd cycle of application acceptance by SMEs in the Program.
- Carrying out a three-day workshop for professionals involved in the IPOs process (Underwriters, ENA Advisors, attorneys, certified auditors et al.) in collaboration with an external EBRD partner.

2. Improving liquidity and strengthening relations with participants

In order to increase liquidity and strengthen the bonds between market participants:

- Organization of the 9th Greek Investment Forum in New York (15-18.06.2020), the first virtual roadshow. At the roadshow representatives from 29 listed companies participated, meeting international investors. At the same time, preparations for the virtual 15th Annual Greek Roadshow in London (September 2020) have begun.
- Participation in the working meeting with companies from northern Greece organized by Democritus University of Thrace, in collaboration with the Hellenic Capital Market Commission, where the new framework of corporate governance was presented, the financing solutions through ATHEX and meetings were held with target companies and institutions of northern Greece.

- Ongoing contact and cooperation with the Hellenic Capital Market Commission, with the aim of improving the regulatory environment, as well as with Underwriters and ENA Advisors, regarding recent market developments and possible new candidates for IPOs.
- Participation in the Committee of the Ministry of Finance under deputy Minister Mr. Zavvos to upgrade the Greek capital market.

ATHEX Academy – Launch of remote seminars

Utilizing the WEBEX application, ATHEX Academy carried out actions related to the main subject of the department (Seminars, Certifications, Examinations), organized new training seminars and in communication or meetings with various bodies, in order to implement various new collaborations with the aim of contributing to the dissemination of the Group's products and services and the improving knowledge.

F. Expansion in new markets & services / collaborations with other exchanges

1. Collaboration with Boursa Kuwait

Following on the collaboration between ATHEX and Boursa Kuwait (BK) that began in the previous year:

- With our assistance, the assessment of the study by BK titled “Derivatives Market Business Requirements Study” was completed.
- The framework contract with BK was negotiated and finalized on the basis of which services will be provided to BK in support of the Strategic Plan of the Hellenic Capital Market Commission, which it wishes to implement.
- The contract between the shareholders (Shareholders Agreement – SHA) of the Exchange was finalized.

2. Launch of the HenEx derivatives market

In the 1st quarter of 2020, all the necessary installations and adjustments to the systems and risk models were completed in order to make the HenEx Derivatives Market operational, with the result that on 16.03 trading of energy derivatives began with full readiness.

3. Collaboration with the Energy Exchange – HenEx sport market

In the 1st half of 2020, extensive acceptance tests of the systems for the HenEx spot markets were carried out, with the participation of all market participants and data synchronized with the existing market systems (Day Ahead) and any problems that occurred as a result of the project were effectively addressed; the project. of activating energy spot markets is proceeding as planned.

G. Other significant activity

1. Response of the Group to COVID-19 & new remote work environment

The Group adapted quickly and effectively – without interruption in its operation – to the remote work framework that was required following the outbreak of the health crisis due to the coronavirus.

The Executive Committee quickly formed the required action plan:

- Judging which employees must be present at the building for the smooth operation of the Group.
- Testing most of the staff for coronavirus, and frequently disinfecting the main office building of the Group.
- Acquiring the necessary equipment and tools and shaping an effective remote work system so that the Group's employees have a functional work environment from home.

The result of the above actions is that more than 80% of the staff perform their duties from home without creating any problem in the smooth operation of the Group.

2. Organizational change

In January 2020, the Group made an extensive organizational change with the aim of adopting a new model that will better serve the strategy and ensure the optimal use of resources and the most effective implementation of projects and actions that will contribute to the transformation of the Group and transition to the new era.

3. Strategy review

During this half, an extensive effort to update the existing strategy of the Group, began and was successfully completed, with the assistance of a Consultant, in order to confirm the acceptable proposed tactical objectives of the internal proposal and remove or replace the remainder as necessary. This review is expected to facilitate the prioritization of the projects and actions that will bring significant benefit to the Group.

Comment on the results

1st half 2020 results of the Group

Turnover in the 1st half of 2020 for the Athens Exchange Group was €15.2m compared to €14.2m in the 1st half of 2019, increased by 6.7. Approximately 59% of the turnover of the Group is from fees on trading, clearing and settlement of trades on the Athens Exchange.

In the 1st half of 2020 EBITDA was €5.01m compared to €4.98m in the 1st half of 2019, increased by 0.6%.

Earnings Before Interest and Taxes (EBIT) were €2.87m vs. €2.96m in the 1st half of 2019, reduced by 3%.

After deducting €715 thousand in income tax, the net after tax earnings of the Athens Exchange Group amounted to €2.27m compared to €2.24m, increased by 1.5%. After including Other Comprehensive Income (valuation of shares), earnings amount to €2.6m compared to €3.4m in the 1st half of 2019, reduced by 21.3%.

Parent Company of the Athens Exchange Group

For the parent company, turnover was €7.4m vs. €7.0m, increased by 5.6% compared to the 1st half of 2019, while net after tax earnings were €8.5m in the 1st half of 2020 compared to €3.8m in the 1st half of 2019, increased by more than two times due to the dividend totaling €7.9m received from its subsidiaries ATHEXClear (€0.45 * 8,500,000) = €3,825,000) and ATHEXCSD (€5 * 802,600 = €4,013,000).

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 30.06.2020 the share price closed at €1.57 and as a result the valuation of the Bank of Piraeus shares was €1,049,176.05, a loss of €948,936.30 compared to the valuation on 31.12.2019 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 are traded on its OTC platform as of 15.01.2020. On 30.06.2020 the valuation of the participation was €2.45m, and the valuation gain of €1.4m is reflected in Other Comprehensive Income.

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 30.06.2020. In the Statement of Financial Position of 30.06.2020, 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 30.06.2020.

On 30.06.2020 at the BoG bank account cash market margins of €152.8m and derivatives market margins of €57.4m 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 Repetitive General Meeting of 05.06.2020 to return €0.09 per share with an equal reduction in the stock’s par value, the share capital became €29,570,520 divided into 60,348,000 shares with a par value of €0.49 each.

The Equity of the Group on 30.06.2020 was €101.0m and the Company’s €89.7m.

Treasury Stock

The Company and the Group did not possess treasury stock on 30.06.2020.

Dividend policy

The Annual General Meeting of Hellenic Exchanges-Athens Stock Exchange shareholders on 29.05.2020 decided to distribute dividend for fiscal year 2019 amounting to €4,224,360 or €0.07 per share to shareholders. The ex-date of the right to the dividend was on 04.06.2020, and the dividend was paid on 11.06.2020.

The 1st Repetitive General Meeting on 05.06.2020 approved the proposal of the BoD to return capital amounting to €5,431,320 or €0.09 per share.

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 the 1st half of 2020 amounted to €862 thousand for the Group and €658 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 30.06.2020. For the other related party transactions, see note 5.46.

Branch Offices

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

Prospects for 2020 and after

According to the summer forecasts of the European Commission, the Greek economy is expected to have a 9% recession, due to the impact of the health crisis mainly in the investment and tourism sectors. In the Monetary Policy Report, the Bank of Greece mentions three scenarios with the main scenario predicting a rate of change of -5.8%, while in the pessimistic scenario, the recession is expected to reach -9.4%.

These data and the prevailing uncertainty are expected to cause reluctance in companies for the remainder of the year, especially regarding new listings and share capital increases and possibly also reducing the average daily value of transactions. The prospects of the Group and the Company, in normal operating conditions, are also shaped by the regulatory changes taking place at European level and by the wider policies of the European Commission, which lately has focused on the possibility of financing small and medium-sized enterprises through the capital markets as a result of the continuing deleveraging in the banking system. Broader developments in the international macroeconomic environment are also considered important for the Group's prospects.

In these unprecedented conditions, the Company strives to operate effectively in a remote work environment, to continue to maintain the smooth functioning of the markets, to continue to 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 general, 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.

We do not expect that the impact from COVID-19 to be significant for the Group and the Company. Management estimates that there is no material uncertainty as to the continuation of the activity of the Group and the Company.

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 and corporate actions in general, 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 rationalize them, in order to improve the financial results of the Group even under adverse market conditions.

The COVID-19 health crisis interrupted the positive outlook that had developed at the start of the year. The world economy has entered a period of uncertainty and instability, the consequences of which are difficult to estimate based on the data so far. The economic impact will depend on the duration and intensity of the recession, and the prospects for recovery.

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 core operation of the Group, reporting to the Board of Directors.

During the current year, the Group developed the organizational structure, the framework and the processes for managing operational risk, for ATHEXCSD as part of the CSDR Regulation for which an application for licensing was submitted, and for ATHEX as part of corporate governance, in addition to the risk management framework to which ATHEXClear is directly subject to, which 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.

In 2020, significant organizational changes were implemented, which aim to more effective manage operational risk throughout the Group, highlighting the opportunities for synergy between the companies, the dynamics of deepening risk recognition and extending their analysis to all business operations.

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.

- *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.

In particular for ATHEXClear,

- *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.

While at the Group level the following are recognized:

- *Risk Management Coordinating Committee*. The coordinating committee consists of the Chairpersons 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 Chairperson 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.
- *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.
- *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 & Compliance Unit of the Group and the Risk Management Department of ATHEXClear 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, deterioration 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 extent, 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 pandemic (COVID-19) resulted in a significant drop in the prices of securities, conditions which the organization dealt with successfully.

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 management 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	STABLE	B	B	B	B
EUROBANK ERGASIAS SA	GR	#N/A *	NR	NR	NR	NR
NATIONAL BANK OF GREECE	GR	STABLE	B	B	B	B
PIRAEUS BANK S.A	GR	STABLE	B-	B	B-	B
BANK OF GREECE	GR	#N/A*	NR	NR	NR	NR
HSBC BANK PLC	GB	STABLE	A-	A-2	A-	A-2

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

#N/A – Not Applicable

Out of total cash and cash equivalents of the Group of €74.1m, approximately €47.6m is deposited in Greek systemic banks, and the remaining approximately €26.5m 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 COVID-19 health crisis interrupted the positive outlook that had developed at the start of the year. The world economy has entered a period of uncertainty and instability, the consequences of which are difficult to estimate based on the data so far. The economic impact will depend on the duration and intensity of the recession, and the prospects for recovery.

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.

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.

The management of the lockdown due to the pandemic (COVID-19) highlighted new risks that were identified and successfully addressed, enabling the organization to operate safely in conditions of extremely high level (of the order of 85%) of remote work by staff.

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

On the occasion of the pandemic management (COVID-19), the pandemic plan envisaged in the operational continuity system was successfully implemented.

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

Potential losses from operational risks which the Group is not able to or does not wish to assume are covered by insurance contracts. 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). The Groups has also insured itself against cyber-security risks and data loss from digital sabotage. 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

[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.

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 COVID-19 health crisis interrupted the positive outlook that had developed at the start of the year. The world economy has entered a period of uncertainty and instability, the consequences of which are difficult to estimate based on the data so far. The economic impact will depend on the duration and intensity of the recession, and the prospects for recovery.

Internal Audit

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.

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 €20,268,650 for the period from 01.07.2020 to 31.07.2020.

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 01.07.2020 to 31.07.2020 is €9,190,151. 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.

The share capital of HenEx, in the amount of €5,000,000 divided into 50,000 shares of €100 each was paid in full shareholders. The Company (Athens Exchange – ATHEX) paid up its participation in the amount of €1,050,000 obtaining 21% of the share capital.

The HenEx BoD approved the Annual Financial Report for 2019 which reported net after tax profits of €570 thousand.

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.

In the 1st half of 2020, the HCGC carried out the following tasks:

- It participated in the public consultation on the bill "Corporate governance of public limited companies, modern capital market, incorporation into Greek legislation of Directive (EU) 2017/828 of the European Parliament and of the Council" of the Ministry of Finance, submitting comments and suggestions of HCGC members on the provisions of the draft law.
- It participated in the meeting of the Standing Committee on Economic Affairs of the Hellenic Parliament, presenting the views of the HCGC in the context of the hearing of the bodies on the draft law of the Ministry of Finance: "Corporate governance of public limited companies, modern capital market, incorporation into Greek legislation of Directive (EU) 2017/828 of the European Parliament and of the Council, measures to implement Regulation (EU) 2017/1131 and other provisions".

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. The spread of COVID-19 in the region has caused a delay in the implementation of the whole venture during the 1st half of 2020.

The shares of Boursa Kuwait are traded on the OTC platform starting on 15.01.2020, while the exchange rate on 30.06.2020 was 2.89 EUR/KWD. The increase in the share price increased the value of the participation by €1,411 thousand on 30.06.2020.

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.

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 are delaying the start of the project.

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 the 1st half of 2020, 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 which is recorded in Other Comprehensive Income.

in € thousand	**01.01-30.06.2020**	**01.01-30.06.2019**
Other Comprehensive Income		
Gain from properties assessment	0	0
Share valuation	366	1,115
Total	**366**	**1,115**
Grand total	**366**	**1,115**

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	**01.01-30.06.2020**	**01.01-30.06.2019**	**Deviation %**
EBITDA	**5,014**	**4,984**	**1%**

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

€ thousand	01.01-30.06.2020	01.01-30.06.2019	Deviation %
EBIT	2,875	2,963	(3%)

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

€ thousand	01.01-30.06.2020	01.01-30.06.2019	Deviation %
EBT	2,988	3,156	(5%)

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

€ thousand	01.01-30.06.2020	01.01-30.06.2019	Deviation %
EAT	2,273	2,239	2%

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	01.01-30.06.2020	01.01-30.06.2019	Deviation %
Cash flows after investment activities	10,347	7,704	34%

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	01.01-30.06.2020	01.01-30.06.2019	Deviation %
Return on Investment (ROI)	13%	14%	(7%)

7. Return on Equity (ROE), %

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

€ thousand	01.01-30.06.2020	01.01-30.06.2019	Deviation %
Return on Equity	**2.16%**	**2.07%**	**4%**

The only APMs out of those used by the Group that are affected during the 1st half of 2020 is:

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	01.01-30.06.2020	01.01-30.06.2019	Deviation %
Degree of Financial Self-Sufficiency	**80%**	**80%**	**0%**
Total Equity	101,010	104,436	(3%)
Share valuation	(366)	(1,115)	(67%)
Total (a)	**100,644**	**103,321**	**(3%)**
Total Balance Sheet - Third party cash & cash equivalents (b)	**123,156**	**125,120**	**(2%)**
Adjusted Degree of Financial Self-Sufficiency (a/b)	**82%**	**83%**	**(1%)**
Deviation %	**2%**	**4%**	

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	01.01-30.06.2020	01.01-30.06.2019	Deviation %
EPS	**0.044**	**0.056**	**(21%)**
Other comprehensive income	2,639	3,354	(21%)
Share valuation	(366)	(1,115)	0%
Net adjusted other comprehensive income	**2,273**	**2,239**	**2%**
Average number of shares during the period	**60,348,000**	**60,348,000**	**0%**
Adjusted EPS	**0.038**	**0.037**	**3%**
Deviation %	**(14%)**	**(34%)**	

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
Charalambos Saxinis	Vice Chairman, independent non-executive member
Socrates Lazaridis	Chief Executive Officer, executive member
Giorgos Doukidis	Independent non-executive member
Theano Karpodini	Independent non-executive member
Spyridoula Papagiannidou	Independent non-executive member
Nikolaos Pimplis	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 30.06.2020

There is no event that has a significant effect in the results of the Group which has taken place or was completed after 30.06.2020, the date of the 1st half 2020 interim financial statements and up until the approval of the financial statements by the Board of Directors of the Company on 27.07.2020.

Athens, 27 July 2020

The Board of Directors

3. REVIEW REPORT BY THE INDEPENDENT CERTIFIED AUDITORS ACCOUNTANTS

[Translation from the original text in Greek]

Report on Review of Interim Financial Statements

To the Board of directors of "HELLENIC EXCHANGES-ATHENS STOCK EXCHANGE S.A"

Introduction

We have reviewed the accompanying interim company and consolidated statement of financial position of "HELLENIC EXCHANGES-ATHENS STOCK EXCHANGE S.A" (the "Company"), as of 30 June 2020 and the related company and consolidated statements of comprehensive income, changes in equity and cash flow statements for the six-month period then ended, and the selected explanatory notes that comprise the interim company and consolidated financial statements and which form an integral part of the six-month financial report as required by L.3556/2007.

Management is responsible for the preparation and presentation of these company and consolidated financial statements in accordance with International Financial Reporting Standards as they have been adopted by the European Union. Our responsibility is to express a conclusion on these company and consolidated financial statements based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim company and consolidated financial statements are not prepared, in all material respects, in accordance with International Financial Reporting Standards, as adopted by the European Union.

Report on other legal and regulatory requirements

Our review has not revealed any material inconsistency or misstatement in the statements of the members of the Board of Directors and the information of the six-month Board of Directors Report, as defined in articles 5 and 5a of Law 3556/2007, in relation to the accompanying interim company and consolidated financial statements.

PricewaterhouseCoopers S.A.

268 Kifissias Avenue, 152 32 Athens

Reg. No. 113

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

27 July 2020

4. 1st HALF 2020 COMPANY & CONSOLIDATED FINANCIAL STATEMENTS

for the period 1 January 2020 to 30 June 2020

In accordance with the International Financial Reporting Standards

4.1. Interim Statement of Comprehensive Income

		Group				Company			
		01.01	01.01	01.04	01.04	01.01	01.01	01.04	01.04
	Notes	30.06.2020	30.06.2019	30.06.2020	30.06.2019	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Revenue									
Trading	5.8	2,915	2,491	1,309	1,565	2,915	2,491	1,308	1,565
Clearing	5.9	5,180	4,358	2,323	2,725	0	0	0	0
Settlement	5.10	803	824	312	435	0	0	0	0
Exchange services	5.11	1,525	1,339	737	675	1,525	1,339	738	675
Depository services	5.12	1,146	1,262	526	750	0	0	0	0
Clearinghouse services	5.13	64	67	31	34	0	0	0	0
Market Data	5.14	1,349	1,318	731	677	1,486	1,422	812	728
IT services	5.15	257	248	126	121	240	232	118	114
Revenue from re-invoiced expenses	5.16	397	540	221	280	287	477	147	247
Ancillary services (XNET, colocation, LEI)	5.17	1,025	1,137	474	573	498	529	247	308
Other services	5.18	518	646	220	274	443	512	183	171
Total turnover		**15,179**	**14,230**	**7,010**	**8,109**	**7,394**	**7,002**	**3,553**	**3,808**
Hellenic Capital Market Commission fee	5.19	(682)	(570)	(302)	(359)	(251)	(210)	(114)	(135)
Total revenue		**14,497**	**13,660**	**6,708**	**7,751**	**7,143**	**6,792**	**3,439**	**3,673**
Expenses									
Personnel remuneration & expenses	5.20	5,443	4,755	2,693	2,311	2,991	2,658	1,479	1,375
Third party remuneration & expenses	5.21	509	209	354	111	309	132	219	54
Utilities	5.22	357	367	173	192	44	59	23	22
Maintenance / IT support	5.23	686	736	423	460	491	484	318	285
Other Taxes	5.24	629	540	268	258	312	344	179	176
Building / equipment management	5.25	279	228	194	104	61	63	45	32
Other operating expenses	5.26	924	897	294	461	875	772	312	349
Total operating expenses before ancillary services and depreciation		**8,827**	**7,732**	**4,399**	**3,897**	**5,083**	**4,512**	**2,575**	**2,293**
Re-invoiced expenses	5.27	313	479	183	284	193	350	105	212
Expenses for ancillary services (XNET, LEI, IT)	5.28	343	465	162	323	75	157	39	144
Total operating expenses, including ancillary services before depreciation		**9,483**	**8,676**	**4,744**	**4,504**	**5,351**	**5,019**	**2,719**	**2,649**
Earnings before Interest, Taxes, Depreciation & Amortization (EBITDA)		**5,014**	**4,984**	**1,964**	**3,247**	**1,792**	**1,773**	**720**	**1,024**
Depreciation	5.29 & 5.31	(2,139)	(2,021)	(1,078)	(1,066)	(1,024)	(1,001)	(512)	(558)
Earnings Before Interest and Taxes (EBIT)		**2,875**	**2,963**	**886**	**2,181**	**768**	**772**	**208**	**466**
Capital income	5.35	73	236	33	115	29	117	13	57
Dividend income	5.32	108	0	108	0	7,946	3,210	7,946	3,210
Income from participations	5.48	14	21	14	21	14	21	14	21
Financial expenses	5.35	(82)	(64)	(40)	(31)	(31)	(35)	(15)	(33)
Earnings Before Tax (EBT)		**2,988**	**3,156**	**1,001**	**2,286**	**8,726**	**4,085**	**8,166**	**3,721**
Income tax	5.45	(715)	(917)	(287)	(627)	(220)	(287)	(64)	(162)
Earnings after tax		**2,273**	**2,239**	**714**	**1,659**	**8,506**	**3,798**	**8,102**	**3,559**

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		Group				Company			
		01.01	01.01	01.04	01.04	01.01	01.01	01.04	01.04
	Notes	30.06.2020	30.06.2019	30.06.2020	30.06.2019	30.06.2019	30.06.2019	30.06.2020	30.06.2019
Earnings after tax (A)		**2,273**	**2,239**	**714**	**1,659**	**8,506**	**3,798**	**8,102**	**3,559**
Financial assets at fair value through comprehensive income									
Valuation profits / (losses) during the period	5.34	481	1,486	137	1,245	481	1,486	137	1,245
Income tax included in other comprehensive income / (losses)		(115)	(371)	(33)	(311)	(115)	(371)	(33)	(311)
Other comprehensive income / (losses) after taxes (B)		**366**	**1,115**	**104**	**934**	**366**	**1,115**	**104**	**934**
Total other comprehensive income (A) + (B)		**2,639**	**3,354**	**818**	**2,593**	**8,872**	**4,913**	**8,206**	**4,493**

Distributed to:		**2020**	**2019**
Company shareholders		2,639	3,354
Profits after tax per share (basic & diluted; in €)		0.044	0.056
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 financial statements of 30.06.2020.

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4.2. Interim Statement of Financial Position

	Note	Group		Company	
		30.06.2020	31.12.2019	30.06.2020	31.12.2019
ASSETS					
Non-Current Assets					
Tangible assets for own use	5.29	22,094	22,920	1,194	1,322
Right of use assets	5.30	74	90	1,408	1,481
Real Estate Investments	5.31	1,980	2,082	1,980	2,082
Intangible assets	5.29	6,167	6,449	3,440	3,752
Deferred tax	5.37	395	514	353	480
Participations & other long term receivables	5.32	1,242	1,228	59,292	59,278
Financial assets at fair value through other income	5.34	3,499	3,037	3,499	3,037
		35,451	**36,320**	**71,166**	**71,432**
Current Assets					
Trade receivables	5.33	3,824	4,506	1,893	2,810
Other receivables	5.33	9,763	9,148	6,411	5,810
Third party balances in Group bank accounts	5.36	213,291	186,394	2,573	1,428
Cash and cash equivalents	5.35	74,118	73,426	22,813	17,283
		300,996	**273,474**	**33,690**	**27,331**
Total Assets		**336,447**	**309,794**	**104,856**	**98,763**
EQUITY & LIABILITIES					
Equity & Reserves					
Share capital	5.39	29,571	35,002	29,571	35,002
Share premium	5.39	157	157	157	157
Reserves	5.39	52,010	51,396	46,379	46,014
Retained earnings	5.39	19,272	21,473	13,611	9,328
Total Equity		**101,010**	**108,028**	**89,718**	**90,501**
Non-current liabilities					
Grants and other long term liabilities	5.40	50	50	50	50
Contractual obligation	5.38	592	672	352	397
Deferred tax	5.37	1,460	1,573	0	0
Lease liabilities	5.30	40	55	1,315	1,379
Staff retirement obligation	5.41	2,094	2,069	1,317	1,303
Other provisions	5.41	60	60	0	0
		4,296	**4,479**	**3,034**	**3,129**
Current liabilities					
Trade and other payables	5.42	10,151	4,135	7,862	2,016
Contractual obligation	5.38	519	439	215	189
Income tax payable	5.45	2,292	1,391	287	53
Taxes payable	5.43	3,971	3,802	254	430
Social Security	5.44	887	1,096	787	895
Lease liabilities	5.30	30	30	126	123
Third party balances in Group bank accounts	5.36	213,291	186,394	2,573	1,427
		231,141	**197,287**	**12,104**	**5,133**
Total Liabilities		**235,437**	**201,766**	**15,138**	**8,262**
Total Equity & Liabilities		**336,447**	**309,794**	**104,856**	**98,763**

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 financial statements of 30.06.2020.

(Amounts in thousands euro, unless otherwise noted) 36

4.3. Interim Statement of Changes in Equity

4.3.1. Group

	Share Capital	Own Shares	Share Premium	Reserves	Retained Earnings	Total Equity
Balance 01.01.2019	**41,640**	**0**	**157**	**50,201**	**18,740**	**110,738**
Earnings for the period	0		0	0	2,239	2,239
Profits/(losses) from valuation of financial assets at fair value through other comprehensive income	0	0	0	1,114	0	1,114
Total comprehensive income after taxes	**0**	**0**	**0**	**1,114**	**2,239**	**3,353**
Earnings distribution to reserves	0	0	0	102	(102)	0
Share capital return	(6,638)	0	0	0	0	(6,638)
Dividends paid				0	(3,017)	(3,017)
Balance 30.06.2019	**35,002**	**0**	**157**	**51,419**	**17,858**	**104,436**
Earnings for the period	0		0	0	3,841	3,841
Actuarial profit/ (loss) from defined benefit pension plans	0	0	0	0	(226)	(226)
Profits/(losses) from valuation of financial assets available for sale (through other income)	0	0	0	(22)	0	(22)
Total comprehensive income after taxes	**0**		**0**	**(22)**	**3,615**	**3,593**
Balance 31.12.2019	**35,002**	**0**	**157**	**51,396**	**21,473**	**108,028**
Balance 01.01.2020	**35,002**	**0**	**157**	**51,396**	**21,473**	**108,028**
Earnings for the period	0		0	0	2,273	2,273
Earnings/(losses) from valuation of financial assets at fair value through other comprehensive income				366		366
Total comprehensive income after taxes	**0**	**0**	**0**	**366**	**2,273**	**2,639**
Earnings distribution to reserves	0	0	0	248	(248)	0
Share capital return (note 5.39)	(5,431)	0	0	0	0	(5,431)
Dividends paid (note 5.47)	0	0	0	0	(4,224)	(4,224)
Balance 30.06.2020	**29,571**	**0**	**157**	**52,010**	**19,272**	**101,010**

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 interim financial statements of 30.06.2020.

(Amounts in thousands euro, unless otherwise noted) 37

4.3.2. Company

	Share Capital	Own Shares	Share Premium	Reserves	Retained Earnings	Total Equity
Balance 01.01.2019	**41,640**	**0**	**157**	**44,922**	**8,055**	**94,774**
Earnings for the period	0		0	0	3,798	3,798
Profits/(losses) from valuation of financial assets available for sale	0		0	1,114	0	1,114
Total comprehensive income after taxes	**0**	**0**	**0**	**1,114**	**3,798**	**4,912**
Return of share capital	(6,638)	0	0	0	0	(6,638)
Dividends paid				0	(3,017)	(3,017)
Balance 30.06.2019	**35,002**	**0**	**157**	**46,036**	**8,836**	**90,031**
Earnings for the period	0		0	0	625	625
Actuarial profit/ (loss) from defined benefit pension plans	0		0	0	(133)	(133)
Profits/(losses) from valuation of financial assets at fair value through other comprehensive income	0		0	(22)	0	(22)
Total comprehensive income after taxes	**0**	**0**	**0**	**(22)**	**492**	**470**
Balance 31.12.2019	**35,002**	**0**	**157**	**46,014**	**9,328**	**90,501**
Balance 01.01.2020	**35,002**	**0**	**157**	**46,014**	**9,328**	**90,501**
Earnings for the period	0		0	0	8,506	8,506
Profits/(losses) from valuation of financial assets at fair value through other comprehensive income				366		366
Total comprehensive income after taxes	**0**	**0**	**0**	**366**	**8,506**	**8,872**
Share capital return (note 5.39)	(5,431)		0	0	0	(5,431)
Dividends paid (note 5.47)					(4,224)	(4,224)
Balance 30.06.2020	**29,571**	**0**	**157**	**46,379**	**13,611**	**89,718**

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 interim financial statements of 30.06.2020.

(Amounts in thousands euro, unless otherwise noted) 38

4.4. Interim Cash Flow Statement

	Notes	Group		Company	
		1.1-30.06.2020	1.1-30.06.2019	1.1-30.06.2020	1.1-30.06.2019
Cash flows from operating activities					
Earnings before tax		2,988	3,156	8,726	4,085
Plus / (minus) adjustments for					
Depreciation	5.31	2,139	2,021	1,024	1,001
Staff retirement obligations	5.41	24	33	14	17
Interest Income	5.35	(73)	(236)	(29)	(117)
Dividends received		0	0	(7,838)	(3,210)
Interest and related expenses paid	5.35	82	64	31	35
Plus/ (minus) adjustments for changes in working capital accounts or concerning operating activities					
Reduction/(Increase) in receivables		67	(1,873)	316	(194)
(Reduction)/Increase in liabilities (except loans)		5,961	8,067	5,487	6,521
Reduction/Total adjustments for changes in working capital		**11,188**	**11,232**	**7,731**	**8,138**
Interest and related expenses paid	5.35	(82)	(64)	(31)	(35)
Return of income tax prepayment		79	0	26	0
Net inflows / outflows from operating activities (a)		**11,185**	**11,168**	**7,726**	**8,103**
Investing activities					
Purchases of tangible and intangible assets	5.29	(911)	(2,668)	(408)	(1,290)
Payment of participation in Boursa Kuwait	5.34	0	(1,032)	0	(1,032)
Interest received	5.35	73	236	29	117
Dividends received		0	0	7,838	3,210
Total inflows / (outflows) from investing activities (b)		**(838)**	**(3,464)**	**7,459**	**1,005**
Financing activities					
Special dividend (share capital return)	5.39	(5,431)	(6,638)	(5,431)	(6,638)
Dividend payments	5.39	(4,224)	(3,017)	(4,224)	(3,017)
Total outflows from financing activities (c)		**(9,655)**	**(9,655)**	**(9,655)**	**(9,655)**
Net increase/ (decrease) in cash and cash equivalents from the beginning of the period (a) + (b) + (c)		**692**	**(1,951)**	**5,530**	**(547)**
Cash and cash equivalents at start of period	**5.35**	**73,426**	**74,608**	**17,283**	**22,746**
Cash and cash equivalents at end of period	**5.35**	**74,118**	**72,657**	**22,813**	**22,199**

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 financial statements of 30.06.2020.

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5. NOTES TO THE SIX MONTH 2020 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 interim financial statements for 2020 of the Group and the Company have been approved by the Board of Directors on 27.07.2020. The financial statements have been published on the internet, at www.athexgroup.gr. The interim and 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 interim financial statements for the 1st half 2020

The company and consolidated interim 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 1.1.2020. 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 (except owner-occupied assets as well as financial assets through other income, which are valued at fair value) 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.

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 COVID-19 health crisis has led the world economy to a period of uncertainty and instability, the consequences of which are difficult to estimate based on the data so far. The economic impact will depend on the duration and intensity of the recession, and the prospects for recovery.

The drop in share prices and the prevailing uncertainty are expected to negatively affect for the remainder of the year especially new listings and share capital increases and possibly also reduce the average daily value of transactions. The Group has 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).

We do not expect that the impact from COVID-19 to be significant for the Group and the Company. Management estimates that there is no material uncertainty as to the continuation of the activity of the Group and the Company. In particular, we examined the following:

Assessment of the impact of COVID-19 in the results of the Group

A. Revenue assumptions

A significant portion of the revenue of the Group is affected by trading activity, which in turn is affected by the prices of securities, trading velocity and the overall investment climate. However, the Group also has additional sources of revenue which have relatively less volatility, and as a result a drop in the Average Daily Traded Value (ADTV) affects total revenue, but to a lesser degree.

B. Expenses estimate

Due to the COVID-19 pandemic, the Group made extraordinary expenses amounting to €159 thousand, which were partially offset by the reduction in operating expenses, mainly from the reduction in business travel and remote work.

C. Overdue debts

The consistent monitoring of receivables with continuous communication, following the approved procedure of doubtful claims yields results with the continuous reduction of total overdue receivables. In the pessimistic scenario where we make a provision for all the overdue receivables (even those that are> 60 days) then the total impact on the results of the Group would not exceed €145 thousand on 30.6.2020. We note that for overdue receivables of more than 360 days, we take 100% provisions.

D. Valuation of participations

i. Valuation of Piraeus Bank shares

On 30.06.2020 the share price closed at €1.57 and as a result the valuation of the Bank of Piraeus shares was €1,049,176.05, a loss of €948,936.30 compared to the valuation on 31.12.2019 which is reported in Other Comprehensive Income (OCI).

If there is a second wave of cases from the COVID-19 coronavirus, there will be a further reduction in the share price of the stock.

ii. Valuation of Boursa Kuwait participation

The shares of Boursa Kuwait are traded on the OTC platform starting on 15.01.2020, and trading in the organized securities market in Kuwait is expected to begin. On 30.06.2020 the valuation of the participation is €2.45m, a gain of €1.4m which is reflected in Other Comprehensive Income. Therefore, the management of the Group estimates that there will not be a significant impact in the short term, taking into consideration the subsequent upward trend of the stock.

E. Fair value of real estate

According to recent estimates by the Bank of Greece (BoG), real estate prices increased during the 1st quarter of 2020.

The lockdown that was in place, working remotely, as well as the continuing concern and uncertainty regarding the spread of COVID-19 has aggravated the climate and reversed the upward trend.

However, in accordance with the BoG the short and long term effects will depend based on the category, the position and the specific characteristics of the real estate properties.

In particular, for business real estate (office space) that is of interest to the ATHEX Group, remote work is expected to affect demand for office space. In any case, the Group intends to carry out an estimate of the commercial value of all the real estate properties in its possession at the end of the current fiscal year.

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 uses 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 Statement of Comprehensive Income.

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 are recorded 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 interim 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 estimates 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 and software development expenses, which are 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.

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 5.29).

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.

(Amounts in thousands euro, unless otherwise noted) 46

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 30 June 2020.

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 life of the asset. 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 the 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 30.06.2020 and 31.12.2019. In the Statement of Financial Position of 30.06.2020 and 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 30.06.2020 and 31.12.2019 respectively.

5.3.11. Share Capital

Share capital includes the common stock of the Company that has been issued and is in circulation.

On 30.06.2020 the Company did not possess treasury stock.

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, 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 likely 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 of 24% was used in the interim financial statements for the 1st half of 2020 and for fiscal year 2019.

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. In addition, subscriptions are included which 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, depending on its nature, is recognized at the time the service provided is completed or the time the service is provided.

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, i.e. when approved 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 30.06.2020 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 31.12.2018:

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.

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 30 June 2020 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 30 June 2020 are as follows:

	Tier 1	Tier 2	Tier 3
Asset items			
Owner occupied tangible assets (Plots of land – buildings)			20,034
Financial assets at fair value through other income	1,049	2,450	

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	

As mentioned in note 5.29, the Group on 31.12.2018 performed an independent assessment of the properties by independent, recognized assessors. In 2020, a new revaluation of their value is expected to take place at the end of the year.

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 shown in the Interim Statement of Financial Position, cash & cash equivalents, claims and short-term liabilities 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

(Amounts in thousands euro, unless otherwise noted) 54

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).

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 2020. 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 3 (Amendments) 'Definition of a business'

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.

IAS 1 and IAS 8 (Amendments) 'Definition of material'

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 IFRSs.

IFRS 9, IAS 39 and IFRS 7 (Amendments) 'Interest rate benchmark reform'

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.

Standards and Interpretations effective for subsequent periods

IFRS 16 (Amendment) 'Covid-19-Related Rent Concessions' (effective for annual periods beginning on or after 1 June 2020)

The amendment provides lessees (but not lessors) with relief in the form of an optional exemption from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for rent concessions in the same way as they would for changes which are not considered lease modifications. The amendment has not yet been endorsed by the EU.

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.

IAS 16 (Amendment) 'Property, Plant and Equipment – Proceeds before Intended Use' (effective for annual periods beginning on or after 1 January 2022)

The amendment prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also requires entities to separately disclose the amounts of proceeds and costs relating to such items produced that are not an output of the entity's ordinary activities. The amendment has not yet been endorsed by the EU.

IAS 37 (Amendment) 'Onerous Contracts – Cost of Fulfilling a Contract' (effective for annual periods beginning on or after 1 January 2022)

The amendment clarifies that 'costs to fulfil a contract' comprise the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts. The amendment also clarifies that, before a separate provision for an onerous contract is established, an entity recognizes any impairment loss that has occurred on assets used in fulfilling the contract, rather than on assets dedicated to that contract. The amendment has not yet been endorsed by the EU.

IFRS 3 (Amendment) 'Reference to the Conceptual Framework' (effective for annual periods beginning on or after 1 January 2022)

The amendment updated the standard to refer to the 2018 Conceptual Framework for Financial Reporting, in order to determine what constitutes an asset or a liability in a business combination. In addition, an exception was added for some types of liabilities and contingent liabilities acquired in a business combination. Finally, it is clarified that the acquirer should not recognize contingent assets, as defined in IAS 37, at the acquisition date. The amendment has not yet been endorsed by the EU.

Annual Improvements to IFRS Standards 2018–2020 (effective for annual periods beginning on or after 1 January 2022)

The amendments set out below include changes to four IFRSs. The amendments have not yet been endorsed by the EU.

IFRS 9 'Financial instruments'

The amendment addresses which fees should be included in the 10% test for derecognition of financial liabilities. Costs or fees could be paid to either third parties or the lender. Under the amendment, costs or fees paid to third parties will not be included in the 10% test.

IFRS 16 'Leases'

The amendment removed the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 of the standard in order to remove any potential confusion about the treatment of lease incentives.

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 core operation of the Group, reporting to the Board of Directors.

During the current year, the Group developed the organizational structure, the framework and the processes for managing operational risk, for ATHEXCSD as part of the CSDR Regulation for which an application for licensing was submitted, and for ATHEX as part of corporate governance, in addition to the risk management framework to which ATHEXClear is directly subject to, which 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.

In 2020, significant organizational changes were implemented, which aim to more effective manage operational risk throughout the Group, highlighting the opportunities for synergy between the companies, the dynamics of deepening risk recognition and extending their analysis to all business operations.

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.
- *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.

In particular for ATHEXClear,

- *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.

While at the Group level the following are recognized:

- *Risk Management Coordinating Committee*. The coordinating committee consists of the Chairpersons 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 Chairperson 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.
- *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.
- *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 & Compliance Unit of the Group and the Risk Management Department of ATHEXClear 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, deterioration 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 extent, 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 pandemic (COVID-19) resulted in a significant drop in the prices of securities, conditions which the organization dealt with successfully.

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 management 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	STABLE	B	B	B	B
EUROBANK ERGASIAS SA	GR	#N/A *	NR	NR	NR	NR
NATIONAL BANK OF GREECE	GR	STABLE	B	B	B	B
PIRAEUS BANK S.A	GR	STABLE	B-	B	B-	B
BANK OF GREECE	GR	#N/A*	NR	NR	NR	NR
HSBC BANK PLC	GB	STABLE	A-	A-2	A-	A-2

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

#N/A – Not Applicable

Out of total cash and cash equivalents of the Group of €74.1m, approximately €47.6m is deposited in Greek systemic banks, and the remaining approximately €26.5m 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 COVID-19 health crisis interrupted the positive outlook that had developed at the start of the year. The world economy has entered a period of uncertainty and instability, the consequences of which are difficult to estimate based on the data so far. The economic impact will depend on the duration and intensity of the recession, and the prospects for recovery.

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.

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.

The management of the lockdown due to the pandemic (COVID-19) highlighted new risks that were identified and successfully addressed, enabling the organization to operate safely in conditions of extremely high level (of the order of 85%) of remote work by staff.

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

On the occasion of the pandemic management (COVID-19), the pandemic plan envisaged in the operational continuity system was successfully implemented.

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

[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.

- *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

Potential losses from operational risks which the Group is not able to or does not wish to assume are covered by insurance contracts. 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). The Groups has also insured itself against cyber-security risks and data loss from digital sabotage. 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.

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 COVID-19 health crisis interrupted the positive outlook that had developed at the start of the year. The world economy has entered a period of uncertainty and instability, the consequences of which are difficult to estimate based on the data so far. The economic impact will depend on the duration and intensity of the recession, and the prospects for recovery.

Internal Audit

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.

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 the 1st half of 2020.

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 30 June 2020 the core activities of the Group were broken down in the following operating segments:

Group	Segment information on 30.06.2020						
	Trading	Clearing - Clearing house services	Settlement - Depository services	Data feed	IT - Other *	Exchange services	Total
Revenue	2,915	5,244	1,949	1,349	2,197	1,525	15,179
Capital income	37	67	25	17	28	21	195
Expenses	(1,968)	(3,540)	(1,316)	(911)	(1,483)	(1,029)	(10,247)
Depreciation	(411)	(739)	(275)	(190)	(310)	(214)	(2,139)
Taxes	(137)	(247)	(92)	(64)	(103)	(72)	(715)
Earnings after tax	**436**	**785**	**291**	**201**	**329**	**231**	**2,273**
Assets	5,822	10,473	3,892	2,694	4,388	3,046	30,315
Cash and cash equivalents	14,234	25,606	9,517	6,587	10,728	7,446	74,118
Other assets	44,556	80,156	29,791	20,620	33,582	23,309	232,014
Total assets	**64,612**	**116,235**	**43,200**	**29,901**	**48,698**	**33,801**	**336,447**
Total liabilities	**45,214**	**81,338**	**30,230**	**20,924**	**34,077**	**23,654**	**235,437**

Group	Segment information on 30.06.2019						
	Trading	Clearing - Clearing house services	Settlement - Depository services	Data feed	IT - Other *	Exchange services	Total
Revenue	2,491	4,425	2,086	1,318	2,571	1,339	14,230
Capital income	45	80	38	24	46	24	257
Expenses	(1,630)	(2,895)	(1,365)	(862)	(1,682)	(876)	(9,310)
Depreciation	(354)	(628)	(296)	(187)	(365)	(191)	(2,021)
Taxes	(161)	(285)	(134)	(85)	(166)	(86)	(917)
Earnings after tax	**391**	**697**	**329**	**208**	**404**	**210**	**2,239**
Assets	5,791	10,288	4,850	3,064	5,977	3,114	33,084
Cash and cash equivalents	12,719	22,594	10,651	6,730	13,127	6,836	72,657
Other assets	36,737	65,260	30,764	19,438	37,917	19,747	209,863
Total assets	**55,247**	**98,142**	**46,265**	**29,232**	**57,021**	**29,698**	**315,605**
Total liabilities	**36,966**	**65,666**	**30,956**	**19,559**	**38,153**	**19,869**	**211,169**

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 30.06.2020 at 638.90 points, 26.4% lower than the close at the end of the corresponding period in 2019 (868.48 points). The average capitalization of the market was €49.3bn, reduced by 3.9% compared to the first half of 2019 (€51.3bn).

The total value of transactions in the 1st half of 2020 (€9.0bn) is 12.5% higher compared to the 1st half of 2019 (€8.0bn), while the average daily traded value was €75.3m compared to €66.7m in the 1st half of 2019, increased by 13.0%. The average daily traded volume increased by 37.6% (49.4m shares vs. 35.9m shares).

In the derivatives market, total trading activity dropped by 13.4% (1st half 2020: 5.0m contracts, 1st half 2019: 5.8m), while the average daily traded volume also decreased by 13.4% (41.6 thousand contracts vs. 48.1 thousand).

(Amounts in thousands euro, unless otherwise noted) 66

5.8. Trading

Revenue from trading in the 1st half of 2020 is analyzed in the table below:

	Group		Company	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Shares	2,583	2,186	2,583	2,186
Derivatives	319	294	319	294
ETFs	2	1	2	1
Bonds	11	10	11	10
Total	**2,915**	**2,491**	**2,915**	**2,491**

Revenue from stock trading amounted to €2.6 million vs. €2.2 million in the 1st half of 2019, increased by 18.2%. The increase is mainly due to the increase in trading activity in the 1st half of 2020.

Revenue from trading in the derivatives market increased by 8.5% compared to 2019. While total trading activity dropped by 13.4% (1st half 2020: 5.0 million contracts; 1st half 2019: 5.8 million) and the average daily volume of transactions also dropped by 13.4% (41.6 thousand contracts compared to 48.1 thousand contracts), the average revenue per contract increased by 28% (1st half 2020: €0.223; 1st half 2019: €0.174).

5.9. Clearing

Revenue from clearing in the 1st half of 2020 is analyzed in the following table:

	Group		Company	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Shares	3,548	3,066	0	0
Bonds	11	10	0	0
Derivatives	761	704	0	0
ETFs	3	1	0	0
Transfers - Allocations (Special settlement instruction)	266	181	0	0
Trade notification instructions	591	396	0	0
Total	**5,180**	**4,358**	**0**	**0**

Revenue from share clearing, which consists of revenue from the organized market and the Common Platform, amounted to €3.5 million, increased by 15.7% compared to the 1st half of 2019. The increase is due to the increase in trading activity in 2020.

Revenue from transfers – allocations amounted to €266 thousand, increased by 47% compared to the 1st half of 2019, while trade notification instructions amounted to €591 thousand, increased by 49.2%.

Revenue from clearing in the derivatives market increased by 8.1% compared to 2019. While total trading activity dropped by 13.4% (1st half 2020: 5.0 million contracts; 1st half 2019: 5.8 million) and the average daily volume of transactions also dropped by 13.4% (41.6 thousand contracts compared to 48.1 thousand contracts), the average revenue per contract increased by 28% (1st half 2020: €0.223; 1st half 2019: €0.174).

(Amounts in thousands euro, unless otherwise noted) 67

5.10. Settlement

Revenue from this category is analyzed in the following table:

	Group		Company	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Off-exchange transfers OTC (1)	771	618	0	0
Off-exchange transfers (2)	30	204	0	0
Rectification trades	2	2	0	0
Total	**803**	**824**	**0**	**0**

(1) Transactions through DSS operators.

(2) Transfers, public offers, donations.

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	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Corp. actions by listed companies (rights issues etc.) (1)	110	21	110	21
Quarterly subscriptions by listed companies (2)	992	956	992	956
Member subscriptions (3)	250	259	250	259
Bonds - Greek government securities	2	12	2	12
Subscriptions of ENA company advisors	13	11	13	11
Revenue from indices (4)	18	21	18	21
Other services to issuers (listed companies) (5)	140	59	140	59
Total	**1,525**	**1,339**	**1,525**	**1,339**

(1) Fees on corporate actions by listed companies (includes rights issues by companies and the listing of corporate bonds) amounted to €110 thousand vs €21 thousand in 2019. Part of the amount of €82 thousand that was recorded in the 1st half of 2020 and concerns rights issues and IPOs (OPAP, JP AVAX, AUDIOVISUAL, ENTERSOFT) has been transferred to future fiscal years (total amount: €65 thousand), and €93 thousand has been recorded in the results of the 1st half of 2020 from revenue invoiced in 2019, 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 €992 thousand in the 1st half of 2020 vs. €956 thousand in the 1st half of 2019, increased by 3.8%.

(3) Revenue from member subscriptions in the cash market, which depends on members' annual trading activity, amounted to €221 thousand in the 1st half of 2020 vs. €227 thousand in 2019, reduced by 2.6%. Revenue from member subscriptions in the derivatives market amounted to €29 thousand in the 1st half of 2020 compared to €32 thousand in 2019, reduced by 9.4%.

(4) Revenue from indices was €18 thousand in the 1st half of 2020 vs. €21 thousand in the 1st half of 2019, reduced by 14.3%.

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(5) Revenue from other services to issuers increased by 139%. This increase is due to the digital certificate and "HERMES" services to listed companies (€117 thousand in the 1st half of 2020 vs. €10 thousand in 2019). Other services include the services of codifying securities and Electronic Book Building, which in the 1st half of 2020 amounted to €16 thousand compared to €40 thousand in 2019.

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:

	Group		Company	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Corp. actions by issuers (Rights issues - Axia Line) (1)	412	449	0	0
Bonds - Greek government securities	2	19	0	0
Investors	37	96	0	0
Operators (2)	695	698	0	0
Total	**1,146**	**1,262**	**0**	**0**

(1) Fees on corporate actions by issuers (includes rights issues by listed companies and the listing of corporate bonds) amounted to €412 thousand in the 1st half of 2020 vs. €449 thousand.

Part of the amount of €162 thousand which were registered in the 1st half of 2020 concern rights issues and new listings (OPAP, JP AVAX, AUDIOVISUAL, ENTERSOFT) has been transferred to following future years (total amount €142 thousand), while €125 thousand has been registered in the results of the 1st half of 2020 from revenue invoiced in 2019, 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 €140 thousand in the 1st half of 2020 vs. €101 thousand in the 1st half of 2019. Revenue from notifications of beneficiaries for cash distributions was €59 thousand compared to €26 thousand in the 1st half of 2019. This category also includes revenue from Electronic Book Building - €54 thousand in the 1st half of 2019; there was no corresponding revenue in 2020.

(2) Revenue from operators includes revenues from monthly subscriptions amounting to €526 thousand vs. €534 thousand in the 1st half of 2019, and is calculated based on the value of the portfolio of the operators; revenue from authorization number usage amounted to €69 thousand, unchanged compared to 2019; revenue from opening investor accounts €48 thousand vs. €37 thousand in the 1st half of 2019 as well as other revenue from operators.

5.13. Clearing House Services

Revenue in this category is analyzed in the following table:

	Group		Company	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Derivatives market clearing Member subscriptions	64	67	0	0
Total	**64**	**67**	**0**	**0**

(Amounts in thousands euro, unless otherwise noted) 69

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:

	Group		Company	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Revenue from market data	1,334	1,301	1,471	1,405
Revenue from publication sales	15	17	15	17
Total	**1,349**	**1,318**	**1,486**	**1,422**

5.15. IT services

Revenue from this is analyzed in the table below:

	Group		Company	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
DSS terminal use licenses	76	76	58	59
Services to Members (1)	181	172	181	173
Total	**257**	**248**	**240**	**232**

(1) Revenue from services to Members increased by 5.2% and includes revenue from ARM-APA - €128 thousand compared to €120 thousand in 2019; revenue from the use of FIX protocol - €28 thousand compared to €30 thousand in 2019; as well as revenue from the use of additional terminals - €21 thousand, unchanged compared to 2019.

5.16. Revenue from re-invoiced expenses

Revenue from re-invoiced expenses are analyzed in the table below:

	Group		Company	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Exchange trading network (ATHEXNet)	282	320	282	321
Sponsorship revenue -NY, London roadshows	5	115	5	115
Travel revenue	0	1	0	1
Revenue from electricity - Colocation	110	104	0	40
Total	**397**	**540**	**287**	**477**

ATHEXnet revenue of €282 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).

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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	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Revenue from X-NET/InBroker (see table below)	416	312	101	19
Colocation Services (1)	411	400	411	400
Market Suite	38	156	(14)	51
Hellenic Capital Market Commission (3)	0	59	0	59
Use of auction platform services - DESFA	37	52	0	0
UNAVISTA LEI - EMIR TR (2)	123	158	0	0
Total	**1,025**	**1,137**	**498**	**529**

(1) The Group offers colocation services to other companies, from which it received €411 thousand in the 1st half of 2020 vs. €400 thousand in the 1st half of 2019.

(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 the 1st half of 2020 related revenue is down 22.2% compared to the corresponding period in 2019.

(3) Services to the Hellenic Capital Market Commission amounted to €59 thousand in the 1st half of 2019; there was no corresponding amount in 2020.

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	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Revenue from X-NET	156	87	99	17
Revenue from Inbroker	260	225	2	2
Total	**416**	**312**	**101**	**19**

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 thousands euro, unless otherwise noted) 71

	Group		Company	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Education (1)	109	69	108	69
Rents (2)	170	179	98	98
Provision of support services to companies (3)	236	309	234	267
Other	3	89	3	78
Total	**518**	**646**	**443**	**512**

(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 €236 thousand concerns support services by the companies of the Group to HenEx and HenExClear.

5.19. Hellenic Capital Market Commission fee

The operating results of the Group in the 1st half of 2020 include the Hellenic Capital Market Commission (HCMC) fee, which for the Group amounted to €682 thousand compared to €570 thousand in the 1st half of 2019. This fee is collected and turned over to the HCMC, within two months following the end of each six-month period. The increase resulted from a corresponding increase 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 the 1st half of 2020 amounted to €251 thousand compared to €210 thousand in the 1st half of 2019.

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	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Salaried staff	220	220	114	114
Total Personnel	**220**	**220**	**114**	**114**

	Group		Company	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Personnel remuneration	3,985	3,415	2,234	1,946
Social security contributions	872	762	482	432
Termination benefits	57	101	0	0
Net change in the compensation provision (actuarial valuation)	25	33	15	17
Other benefits (insurance premiums, day care / summer camp)	504	444	260	263
Total	**5,443**	**4,755**	**2,991**	**2,658**

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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	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
BoD member remuneration	59	19	31	15
Attorney remuneration and expenses	37	36	36	36
Fees to auditors (1)	38	56	15	23
Fees to consultants (2)	235	3	115	(18)
Fees to FTSE (ATHEX)	66	53	66	53
Committee remuneration - other fees	53	18	33	16
Fees to training consultants	22	24	13	7
Total	**509**	**209**	**309**	**132**

(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 as well as consultant fees for business organization improvement.

(3) Concerns attorney fees - €52 thousand and fees to DSS [Dematerialized Securities System] Operators - €1 thousand.

5.22. Utilities

	Group		Company	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Fixed - mobile telephony - internet	74	90	27	41
Leased lines - ATHEXNet	41	45	9	11
PPC (Electricity)	241	230	8	8
EYDAP (water)	1	2	0	0
Total	**357**	**367**	**44**	**59**

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

(Amounts in thousands euro, unless otherwise noted) 73

Non-deductible Value Added Tax, and other taxes (Property Tax) that burden the cost of services amounted to €629 thousand compared to €540 thousand in 2019. The increase is mainly due to the payment of fees amounting to €102 thousand to the Hellenic Capital Market Commission for the issuance of a CSDR license. For the Company, other taxes amounted to €312 thousand vs. €344 thousand in 2019.

5.25. Building / equipment management

This category includes expenses such as: security and cleaning services, building and equipment maintenance and repairs.

	GROUP		COMPANY	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Cleaning and building security services	201	201	52	55
Building repair and maintenance - other equipment	60	14	9	8
Fuel and other generator materials	7	13	0	0
Communal expenses	11	0	0	0
Total	**279**	**228**	**61**	**63**

5.26. Other operating expenses

Other operating expenses in the 1st half of 2020 increased by 3% compared to the corresponding period last year, and are analyzed in the table below:

	Group		Company	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Bank of Greece (BoG) - cash settlement	20	25	0	0
Stationery	2	3	1	3
Consumables	15	19	13	18
Travel expenses	19	76	15	65
Postal expenses	2	2	1	1
Transportation expenses	23	25	19	18
Publication expenses	0	4	0	0
Storage fees	7	6	4	4
Operation support services	0	0	59	59
DR hosting expenses	53	48	26	27
Other	216	71	209	39
Electronic equipment insurance premiums	6	10	6	10
Means of transport insurance premiums	1	0	1	0
Building fire insurance premiums	13	19	2	3
BoD member civil liability ins. Premiums (D&O, DFL & PI)	238	201	238	201
Subscriptions to professional organizations & contributions	263	230	239	197
Hellenic Capital Market Commission subscription	12	13	12	13
Promotion, reception and hosting expenses	21	105	18	79
Event expenses	13	40	12	35
Total	**924**	**897**	**875**	**772**

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Other mainly concerns a donation of €100 thousand to the Ministry of Health to deal with the pandemic, as well as expenses for preventive measures, such as masks, antiseptic, gloves etc.

5.27. Re-invoiced expenses

Expenses in this category for the 1st half of 2020 are analyzed in the table below:

	Group		Company	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Leased Lines (ATHEXNet)	140	175	136	165
Sodali expenses (General Meetings)	23	19	23	19
VAT on re-invoiced expenses	6	59	0	45
Promotion, reception and hosting expenses (NY-London roadshows)	30	110	30	108
Electricity consumption - Colocation	110	104	0	0
Other	4	12	4	13
Total	**313**	**479**	**193**	**350**

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:

	Group		Company	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Expenses from new activities (3)	17	116	18	116
X-NET Expenses (1)	139	119	34	14
Expenses on IT Services to third parties (2)	137	159	23	17
VAT on ancillary services expenses	50	71	0	10
Total	**343**	**465**	**75**	**157**

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 the 1st half of 2020, significant savings in the fees paid to foreign exchanges were achieved.

   XNET expenses are analyzed in the table below:

	Group		Company	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Expenses concerning foreign securities	69	40	27	13
Inbroker Plus data feed expenses	70	79	7	1
Total	**139**	**119**	**34**	**14**

(Amounts in thousands euro, unless otherwise noted) 75

2. Expenses for IT Services amounted to €139 thousand compared to €119 thousand in the corresponding period last year and mainly include the expenses of the LEI – EMIR TR service – €113 thousand (compared to €141 thousand in 2019); ORACLE expenses - €2 thousand (compared to €12 thousand in 2019); and HELLENIC CAPITAL MARKET COMMISSION expenses - €4 thousand (compared to €3 thousand in 2019) (the corresponding UNAVISTA LEI revenue is shown in note 5.17).
3. Includes invoices for products and services marketing activities.

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 Group intends to carry out an estimation of the commercial value of all the properties it owns at the end of fiscal year 2020.

The tangible and intangible assets of the Group on 30.06.2020 and 31.12.2019 are analyzed as follows:

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**	**8,947**	**12,680**	**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**	**10,272**	**14,483**	**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	1,554	6,550	**30,100**
on 31.12.2019	**4,500**	**16,158**	**0**	**4**	**2,257**	**6,450**	**29,369**

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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 31.12.2019	**4,500**	**29,527**	**127**	**166**	**10,272**	**14,483**	**59,075**
Additions in 2020	0	42	0	0	163	708	**913**
Acquisition and valuation on 30.06.2020	**4,500**	**29,569**	**127**	**166**	**10,435**	**15,191**	**59,988**
Accumulated depreciation on 31.12.2019	**0**	**13,369**	**127**	**164**	**8,012**	**8,034**	**29,706**
Depreciation in 2020	0	666	0	1	364	990	**2,021**
Accumulated depreciation on 30.06.2020	**0**	**14,035**	**127**	**165**	**8,376**	**9,024**	**31,727**
Book value							
on 31.12.2019	**4,500**	**16,158**	**0**	**2**	**2,260**	**6,449**	**29,369**
on 30.06.2020	**4,500**	**15,534**	**0**	**1**	**2,059**	**6,167**	**28,261**

The tangible and intangible assets of the Company on 30.06.2020 and 31.12.2019 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 31.12.2018	**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 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**

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 31.12.2019	**0**	**15**	**103**	**157**	**7,190**	**9,763**	**17,228**
Additions in 2020	0	0	0	0	96	312	**408**
Acquisition and valuation on 30.06.2020	**0**	**15**	**103**	**157**	**7,286**	**10,075**	**17,636**
Accumulated depreciation on 31.12.2019	**0**	**1**	**103**	**156**	**5,883**	**6,011**	**12,154**
Depreciation in 2020	0	0	0	0	224	624	**848**
Accumulated depreciation on 30.06.2020	**0**	**1**	**103**	**156**	**6,107**	**6,635**	**13,002**
Book value							
on 31.12.2019	**0**	**14**	**0**	**1**	**1,307**	**3,752**	**5,074**
on 30.06.2020	**0**	**14**	**0**	**1**	**1,179**	**3,440**	**4,634**

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Intangible assets include the amounts of €234 thousand for the Group and €101 thousand for the Company and concern the capitalization of expenses (CAPEX creation) for systems development by the Group in the 1st half of 2020. 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.

Depreciation increased in the 1st half of 2020 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 30.06.2020 there were no encumbrances on the assets of the companies of the Group.

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 the 1st half of 2020, for the Group €2 thousand was booked as a lease financial costs and €16 thousand as depreciation; for the Company €30 thousand was booked as lease financial costs and €74 thousand as depreciation of right-of-use assets.

Assets right of use - Group	**30.06.2020**	**01.01.2020**
Means of transport	74	90
	74	**90**
Lease obligations		
Long-term lease obligations	39	55
Short-term lease obligations	31	30
	70	**85**

Amounts recognized in the Statement of Comprehensive Income

Depreciation - right of use	**2020**	**2019**
Means of transport	16	10
	16	**10**
Interest expense	**2**	**1**

(Amounts in thousands euro, unless otherwise noted) 79

Assets right of use - Company	30.06.2020	01.01.2020
Real Estate	1,333	1,391
Means of transport	74	90
	1,407	1,481
Lease obligations		
Long-term lease obligations	1,315	1,379
Short-term lease obligations	126	123
	1,441	1,502

Depreciation - right of use	2020	2019
Real Estate	58	58
Means of transport	16	10
	74	68
Interest expense	30	31

Total lease payments during the period for the Company amounted to €91 thousand.

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. For 2020 it is expected that an estimation of the value of the real estate properties of the Group by an independent recognized estimator will be ordered.

The book value of the investments in real estate for the Group and the Company on 30.06.2020 and 31.12.2019 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 31.12.2018	700	5,110	88	5,898
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 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

(Amounts in thousands euro, unless otherwise noted) 80

Group - Company	REAL ESTATE INVESTMENT			
	Plots of Land	Buildings and Construction	Furniture and fixtures	Total
Acquisition and valuation on 31.12.2019	**700**	**5,110**	**88**	**5,898**
Acquisition and valuation on 30.06.2020	**700**	**5,110**	**88**	**5,898**
Accumulated depreciation on 31.12.2019	**0**	**3,728**	**88**	**3,816**
Depreciation in 2020	0	102	0	102
Accumulated depreciation on 30.06.2020	**0**	**3,830**	**88**	**3,918**
Book value				
on 31.12.2019	**700**	**1,382**	**0**	**2,082**
on 30.06.2020	**700**	**1,280**	**0**	**1,980**

5.32. Investments in subsidiaries and other long term claims

	Group		Company	
	30.06.2020	31.12.2019	30.06.2020	31.12.2019
Participation in ANNA	1	1	1	1
Participation in subsidiaries	0	0	57,880	57,880
Participation in affiliates (1)	1,172	1,158	1,172	1,158
Management committee reserve	11	11	0	0
Claim from subsidiaries due to stock options	0	0	227	227
Lease guarantees	58	58	12	12
Total	**1,242**	**1,228**	**59,292**	**59,278**

1. The participation of the Company in HenEx on 30.06.2020 was €1,172 thousand (note 5.46), which was increased by €122 thousand from the participation in the earnings.

The breakdown of the participations of the parent Company in the subsidiaries of the Group on 30.06.2020 is shown below:

	% of direct participation	Number of shares / total number of shares	Cost 30.06.2020	Cost 31.12.2019
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 €5.00 per share from the ATHEXCSD subsidiary for fiscal year 2019, amounting to €4,013,000, and from the ATHEXClear subsidiary €3,825,000 (€0.45 per share). The dividends were collected in June 2020.

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:

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	Group		Company	
	30.06.2020	31.12.2019	30.06.2020	31.12.2019
Clients	7,463	8,145	3,498	4,357
Clients (intra-Group)	0	0	1	59
Less: provisions for bad debts	(3,639)	(3,639)	(1,606)	(1,606)
Net commercial receivables	**3,824**	**4,506**	**1,893**	**2,810**
Other receivables				
Tax withheld on dividends for offsetting (1)	4,721	4,721	4,421	4,421
Tax (0.20%) (2)	2,935	2,807	0	0
HCMC fee claim (3)	21	21	21	21
Taxes withheld on deposits	205	192	105	100
Accrued revenue - prepaid non-accrued expenses (4)	1,179	829	774	343
Contractual obligations - data vendors (7)	431	433	492	475
Other withheld taxes	69	68	48	47
Prepayment of tax audit differences (5)	6	6	6	6
Other debtors (6)	196	71	544	397
Total other receivables	**9,763**	**9,148**	**6,411**	**5,810**

(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 5.45).

(6) Other debtors include, among others: claim on Boursa Kuwait dividend; 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 - €431 thousand for the Group and €492 thousand for the Company (the corresponding amounts for 2019: €433 thousand for the Group and €471 thousand for the Company).

The provisions for doubtful claims are analyzed in the table below:

Provisions for bad debts	**Group**	**Company**
Balance on 31.12.2018	**3,649**	**1,585**
Additional provisions in 2019	-10	21
Balance on 31.12.2019	**3,639**	**1,606**
Additional provisions in 2020	0	0
Balance on 30.06.2020	**3,639**	**1,606**

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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 31.12.2019 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).

On 30.06.2020 the share price closed at €1.57 and as a result the valuation of the Bank of Piraeus shares was €1,049,176.05, a loss of €948,936.30 compared to the valuation on 31.12.2019 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:

	Group		Company	
	30.06.2020	31.12.2019	30.06.2020	31.12.2019
Balance - start of the fiscal year	1,998	562	1,998	562
Profit / (Loss) from the valuation of the participation recognized in the Statement of Comprehensive Income	(949)	1,436	(949)	1,436
	1,049	**1,998**	**1,049**	**1,998**
Participation in Boursa Kuwait	2,450	1,039	2,450	1,039
Balance - end of the period	**3,499**	**3,037**	**3,499**	**3,037**

The shares of Boursa Kuwait are traded on the OTC platform starting on 15.01.2020, while the exchange rate on 30.06.2020 was 2.89 EUR/KWD. The increase in the share price combined with the effect of the exchange rate increased the value of the participation by €1,411 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 Planning Committee of the Company and the Group. By placing its cash in short term interest bearing investments, the Group had income of €73 thousand in the 1st half of 2020 (2019: €236 thousand); for the Company, the corresponding income was €29 thousand (2019: €117 thousand).

On 30.06.2020, a significant portion (35.7%) 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.

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Expenses and bank commissions over the same period amounted to €82 thousand for the Group (2019: €64 thousand), and €31 thousand for the company (2019: €35 thousand).

In accordance with IFRS 16, bank expenses include financial expenses for leases which amounted to €38 thousand for the Group and €29 thousand for the Company in the 1st half of 2020.

The breakdown of the cash at hand and at bank of the Group is as follows:

	Group		Company	
	30.06.2020	31.12.2019	30.06.2020	31.12.2019
Deposits at the Bank of Greece	26,449	29,996	0	0
Sight deposits in commercial banks	1,956	1,322	737	488
Time deposits < 3 months	45,703	42,100	22,073	16,794
Cash at hand	9	8	3	1
Total	**74,118**	**73,426**	**22,813**	**17,283**

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 €213,291 thousand on 30.06.2020 and €186,394 thousand on 31.12.2019 respectively shown below and in the Statement of Financial Position on 30.06.2020 and 31.12.2019 respectively, concern exclusively Member collaterals in the cash and derivatives markets as well as XNET respectively.

	Group		Company	
	30.06.2020	31.12.2019	30.06.2020	31.12.2019
Clearing Fund collaterals – Cash Market	15,852	13,089	0	0
Additional Clearing Fund collaterals – Cash Market	136,908	107,272	0	0
Clearing Fund collaterals – Derivatives Market	7,072	12,793	0	0
Additional Clearing Fund collaterals – Derivatives Market	50,357	51,684	0	0
Members Guarantees in cash for X-NET (1)	3,102	1,556	2,573	1,428
Third party balances	**213,291**	**186,394**	**2,573**	**1,428**

(1) Margins received by the Company for the XNET market on 30.06.2020 amounted to €2.57m 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 €494 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:

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Deferred taxes	Group		Company	
	30.06.2020	31.12.2019	30.06.2020	31.12.2019
Deferred tax claims	395	514	353	480
Deferred tax liabilities	(1,460)	(1,573)	0	0
Total	**(1,065)**	**(1,059)**	**353**	**480**

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 1.1.2019	**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		0	**70**
Balance 31.12.2019	**35**	**61**	**496**	**266**	**(1)**	**0**	**857**
(Debit) / credit to the results	(5)	(11)	5	0	12	0	**1**
Balance 30.06.2020	**30**	**50**	**501**	**266**	**11**	**0**	**858**

Deferred tax liabilities	Property plant & equipment	Share valuation provision	Total
Balance 1.1.2019	**(2,165)**	**297**	**(1,868)**
Debit / (credit) to the results	298	0	298
Debit / (credit) to other comprehensive income	0	(347)	(347)
Balance 31.12.2019	**(1,867)**	**(50)**	**(1,917)**
Debit / (credit) to the results	109	0	109
Debit / (credit) to other comprehensive income	0	(115)	(115)
Balance 30.06.2020	**(1,758)**	**(165)**	**(1,923)**

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 1.1.2019	**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**	**4**	**0**	**531**
(Debit) / credit to the results	(3)	(13)	4	(5)	4	0	**(13)**
Balance 30.06.2020	**10**	**48**	**316**	**136**	**8**	**0**	**518**

Deferred tax liabilities	Share valuation loss provision	Total
Balance 1.1.2019	**297**	**297**
Debit / (credit) to other comprehensive income	(347)	(347)
Balance 31.12.2019	**(50)**	**(50)**
Debit / (credit) to other comprehensive income	(115)	(115)
Balance 30.06.2020	**(165)**	**(165)**

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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	Short-term contractual obligations	Long-term contractual obligations
New listings	121	308
Rights issues	398	284
	519	**592**

Company	Short-term contractual obligations	Long-term contractual obligations
New listings	109	275
Rights issues	106	77
	215	**352**

5.39. Equity and reserves

a) Share Capital

The Repetitive General Meeting of shareholders of 5.6.2020 approved a share capital return of €0.09 to shareholders, with a corresponding reduction in the share par value. Thus, the share capital of the Company amounts to €29,570,520.00, divided into 60,348,000 shares with a par value of €0.49 per share.

	Number of shares	Par value (€)	Share Capital (€)	Share Premium (€)
Total 01.01.2018	**60,599,000**	**0.84**	**50,903,160.00**	**157,084.15**
Share capital reduction (June 2018)		0.15	(9,089,850.00)	
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 (May 2019)		(0.11)	(6,638,280.00)	
Total 31.12.2019	**60,348,000**	**0.58**	**35,001,840.00**	**157,084.15**
Share capital reduction (June 2020)		0.09	5,431,320.00	
Total 30.06.2020	**60,348,000**	**0.49**	**29,570,520.00**	**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).

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b) Reserves

	Group		Company	
	30.06.2020	31.12.2019	30.06.2020	31.12.2019
Regular Reserve (1)	29,858	29,609	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)	(1,051)	(1,416)	(1,051)	(1,416)
Reserve from stock option plan to employees	1,385	1,385	1,336	1,336
Total	**52,010**	**51,396**	**46,379**	**46,014**

(1) ATHEXClear regular reserve: €289 thousand; ATHEXCSD regular reserve: €1,453 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 2016 - €247 thousand; and specially taxed reserves - €40 thousand.

(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. On 30.06.2020 the shares posted a valuation loss of €948,936.30 which was recognized in the special securities valuation reserve, from which deferred tax of €227,744.71 (24% x €948,936.30) was subtracted. Thus the debit balance of the special reserve on 30.06.2020 was €2,137,114.67.

c) Share Buyback program

There is no share buyback program currently in effect.

d) Retained Earnings

The retained earnings of €21,473 thousand on 31.12.2019 increased by €2,273 thousand in net after tax earnings for the 1st half of 2020, less €248 thousand for the formation of a regular reserve and €4,226 thousand in dividends paid and amounted to €19,272 thousand at the end of the 1st half of 2020.

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:

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- 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 30.06.2020 are broken down in the table below:

Capital requirements Risk type	**Capital requirements 30.06.2020**
Credit risk (total)	234
Derivatives market	0
Cash market	0
Investment of own assets	234
Market risk	0
Exchange rate risk	0
Operating risk	171
Winding down risk	3,803
Business risk	1,902
Total Capital requirements	**6,110**
Notification Threshold (110% of capital requirements)	**6,721**
Additional special resources (25% of capital requirements of 31.12.2019)	**1,523**

ATHEXClear equity amounting to €27.7m, as reported in the statement of financial position of ATHEXClear on 30.06.2020, 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: €1,053 thousand to the cash market and €470 thousand to the derivatives market on 30.06.2020.

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5.40. Grants and other long term liabilities

The Group shows an amount of €50 thousand in the 1st half of 2020 in withholding on employee compensation (Law 103/75) that has been booked to the Company.

5.41. Provisions

	Group		Company	
	30.06.2020	31.12.2019	30.06.2020	31.12.2019
Staff retirement obligation (note 5.20)	2,094	2,069	1,317	1,303
Total	**2,094**	**2,069**	**1,317**	**1,303**

The change in provisions on 30.06.2020 and 31.12.2019 for the Group and Company is shown below:

Group	Personnel termination provision	Provisions for other risk
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**
Additional provision in the period	25	0
Balance on 30.06.2020	**2,094**	**60**

Company	Personnel termination provision	Provisions for other risk
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**
Additional provision in the period	14	0
Balance on 30.06.2020	**1,317**	**0**

By taking provisions, the Group and the Company are trying to protect themselves against potential future risks.

(Amounts in thousands euro, unless otherwise noted) 89

Obligations to employees

The changes in the mandatory compensation payments in the 1st half of 2020 and the 1st half of 2019 are shown in detail in the following table:

Accounting Presentation in accordance with revised IAS 19 (amounts in €)	Group	
	30.06.2020	30.06.2019
Amounts recognized in the Statement of Financial Position		
Present values liabilities	2,093,509	1,826,444
Net obligation recognized in the Statement of Financial Position	**2,093,509**	**1,826,444**
Amounts recognized in the Profit & Loss Statement		
Cost of current employment	14,892	17,059
Net Interest on the liability/asset	9,930	15,873
Regular expense in the Profit & Loss Statement	**24,822**	**32,932**
Total expense recognized in the Profit & Loss Statement	**24,822**	**32,932**
Change in the present value of the liability		
Present value of the obligation at the beginning of the period	2,068,687	1,793,512
Cost of current employment	14,892	17,059
Interest expense	9,930	15,873
Present value of the liability at the end of the period	**2,093,509**	**1,826,444**
Changes in net liability recognized in the Statement of Financial Position		
Net liability at the start of the year	2,068,687	1,793,512
Total expense recognized in the Profit & Loss Statement	24,822	32,932
Net Liability at the end of the period	**2,093,509**	**1,826,444**

Accounting Presentation in accordance with revised IAS 19 (amounts in €)	Company	
	30.06.2020	30.06.2019
Amounts recognized in the Statement of Financial Position		
Present values liabilities	1,317,464	1,135,109
Net obligation recognized in the Statement of Financial Position	**1,317,464**	**1,135,109**
Amounts recognized in the Profit & Loss Statement		
Cost of current employment	8,414	7,473
Net Interest on the liability/asset	6,254	9,892
Regular expense in the Profit & Loss Statement	**14,668**	**17,365**
Total expense recognized in the Profit & Loss Statement	**14,668**	**17,365**
Change in the present value of the liability		
Present value of the obligation at the beginning of the period	1,302,796	1,117,744
Cost of current employment	8,414	7,473
Interest expense	6,254	9,892
Present value of the liability at the end of the period	**1,317,464**	**1,135,109**
Changes in net liability recognized in the Statement of Financial Position		
Net liability at the start of the year	1,302,796	1,117,744
Total expense recognized in the Profit & Loss Statement	14,668	17,365
Net Liability at the end of the period	**1,317,464**	**1,135,109**

The actuarial assumptions used in the actuarial study for the Group in accordance with IAS 19 are as follows:

(Amounts in thousands euro, unless otherwise noted) 90

Actuarial assumptions	Valuation dates	
	30.06.2020	30.06.2019
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

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:

	Group		Company	
	30.06.2020	31.12.2019	30.06.2020	31.12.2019
Suppliers	2,403	1,942	1,254	972
Suppliers (intra-Group)	0	0	16	0
Checks payable	71	73	0	2
Hellenic Capital Market Commission Fee (1)	681	645	251	240
Dividends payable	201	32	201	32
Accrued third party services (2)	257	284	144	139
Employee remuneration payable (3)	931	877	450	409
Share capital return to shareholders (4)	5,540	110	5,540	110
Prepaid non accrued expenses (5)	0	156	0	156
Various creditors	33	0	(9)	(44)
Holiday allowance payable	34	16	15	0
Total	**10,151**	**4,135**	**7,862**	**2,016**

(1) The Hellenic Capital Market Commission fee of €681 thousand (compared to €645 thousand in 2019) 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 1st half of 2020.

(2) Accrued third party services include: €34 thousand – FTSE provisions; €18 thousand – attorney fees; €149 thousand – maintenance provisions.

(3) Concerns a provision for holiday allowance, Christmas bonus and bonus for 2019 for ATHEX - €257 thousand; ATHEXCSD - €211 thousand and ATHEXClear - €104 thousand.

(4) Includes the capital return of €0.09 per share that was approved by the General Meeting of shareholders in 2020 totaling €5.43m, as well as the remainder of the unpaid balances of previous capital returns to shareholders.

(5) Concerns a provision for ATHEXNet discount to members for 2019, which was given in the 1st half of 2020.

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5.43. Taxes payable

	Group		Company	
	30.06.2020	31.12.2019	30.06.2020	31.12.2019
Tax on stock sales 0.20% (1)	3,530	3,155	0	0
Tax on salaried services	182	241	118	140
Tax on external associates	1	2	0	0
VAT-Other taxes	258	404	136	290
Total	**3,971**	**3,802**	**254**	**430**

(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 €3.5m corresponds to the tax (0.20%) on stock sales that has been collected for June 2020 and was turned over to the Greek State in July 2020.

5.44. Social security organizations

The obligations to social security organizations for the Group also include a provision for the Occupational Insurance Fund that was recently set up. In the 1st half of 2020 the amount was €887 thousand compared to €1.096 thousand on 31.12.2019. For the Company, the corresponding amounts were €787 thousand in the 1st half of 2020 compared to €895 thousand on 31.12.2019.

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	
	30.06.2020	31.12.2019	30.06.2020	31.12.2019
Liabilities 31.12	1,391	(374)	53	(295)
Income tax expense	824	2,632	208	558
Return of income tax prepayment for 2019	77	0	26	0
Taxes paid	0	(867)	0	(210)
Liabilities / (claims) (note 5.32)	**2,292**	**1,391**	**287**	**53**

The amount of €2,292 thousand shown as Group income tax claim on 30.06.2020 breaks down as follows: claim on ATHEXClear - €213 thousand; ATHEX (parent company) - €287 thousand; and €1,792 thousand from ATHEXCSD.

	Group		Company	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Income Tax	824	1,022	208	278
Deferred Tax	(109)	(106)	12	9
Income tax expense	**715**	**917**	**220**	**287**

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In accordance with article 22 of Law 4646/2019, the corporate income tax rate for fiscal years 2019 and 2020 is 24%.

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	**30.06.2020**	**30.06.2019**	**30.06.2020**	**30.06.2019**
Profits before taxes	2,988	3,156	8,726	4,085
Income tax rate	24%	28%	24%	28%
Expected income tax expense	717	884	2,094	1,144
Tax effect of non-taxable income	(2)	0	(1,874)	(857)
Tax effect of non-deductible expenses	0	33	0	0
Income tax expense	**715**	**917**	**220**	**287**

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 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	2015	2016	2017	2018	2019
ATHEX to 30.06.2014	x	x	x	x	x	x	x					
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).

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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.

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).

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	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Remuneration of executives and members of the BoD	862	648	658	437

The intra-Group balances on 30.06.2020 and 31.12.2019, as well as the intra-Group transactions of the companies of the Group on 30.06.2020 and 30.06.2019 are shown below:

INTRA-GROUP BALANCES (in €) 30-06-2020				
		ATHEX	ATHEXCSD	ATHEXCLEAR
ATHEX	Claims	0	400,428	0
	Liabilities	0	15,778	0
ATHEXCSD	Claims	15,778	0	247,166
	Liabilities	400,428	0	1,600
ATHEXCLEAR	Claims	0	1,600	0
	Liabilities	0	247,166	0

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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 REVENUES-EXPENSES (in €) 30-06-2020				
		ATHEX	ATHEXCSD	ATHEXCLEAR
ATHEX	Revenue	0	218,196	54,911
	Expenses	0	202,354	0
	Dividend Income	0	4,013,000	3,825,000
ATHEXCSD	Revenue	202,354	0	3,346,519
	Expenses	218,196	0	8,124
ATHEXCLEAR	Revenue	0	8,124	0
	Expenses	54,911	3,346,519	0

INTRA-GROUP REVENUES-EXPENSES (in €) 30-06-2019				
		ATHEX	ATHEXCSD	ATHEXCLEAR
ATHEX	Revenue	0	186,096	55,611
	Expenses	0	154,451	0
	Dividend Income	0	3,210,400	0
ATHEXCSD	Revenue	154,451	0	2,800,696
	Expenses	186,096	0	17,882
ATHEXCLEAR	Revenue	0	17,882	0
	Expenses	55,611	2,800,697	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 the 1st half of 2020 and 2019 follows below:

Claims (in €)	30.06.2020	30.06.2019
ATHEX	153,220	138,400
ATHEXCSD	132,382	151,997
ATHEXClear	18,600	18,600

Revenue (in €)	1.1 - 30.6.2020	1.1 - 30.6.2019
ATHEX	78,957	111,092
ATHEXCSD	129,339	145,056
ATHEXClear	15,000	15,000

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5.47. Earnings per share and dividends payable

The BoD of the Athens Exchange proposed to the Annual General Meeting the distribution of €0.07 per share, i.e. a payout of €4,224,360, as dividend from the earnings of fiscal year 2019, as well as the return of capital to shareholders of €0.09 per share, i.e. a payout of €5,431,320. The proposals of the BoD for the distribution of dividend and the return of capital were approved by shareholders at the 19th Annual General Meeting on 29.5.2020 and the Repetitive General Meeting on 05.06.2020 respectively.

The net after tax earnings of the Group for the 1st half of 2020 were €2.27 million or €0.038 per share, while after including other comprehensive income, earnings were €2.64 million or €0.044 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, HenEx reported net after tax earnings of €479 thousand. 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 €108 thousand on 31.12.2019 and by €14 thousand on 30.06.2020.

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:

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ATHENS EXCHANGE CLEARING HOUSE S.A	
Name	**Position**
Alexios Pilavios	Chairman, non-executive member
Charalambos Saxinis	Vice Chairman, independent non-executive member
Socrates Lazaridis	Chief Executive Officer, executive member
Giorgos Doukidis	Independent non-executive member
Theano Karpodini	Independent non-executive member
Spyridoula Papagiannidou	Independent non-executive member
Nikolaos Pimplis	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

There is no other event that has a significant effect in the results of the Group and the Company which has taken place or was completed after 30.06.2020, the date of the interim financial statements for the 1st half of 2020 and up until the approval of the financial statements by the Board of Directors of the Company on 27.07.2020.

Athens, 27 July 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 ____________________________