PROFILE SYSTEMS & SOFTWARE SA

FINANCIAL STATEMENTS
From January 1, to December 31, 2016

(In accordance with article 4 of Law 3556/2007 and the decisions of the Hellenic CMC)

COMPANY REGISTRATION NUMBER: 122141660000
NEA SMYRNI (199 SYNGROU AV.)

Contents of the Annual Financial Report

This Annual Financial Report is prepared in accordance with article 4 of Greek Law 3556/2007 and the Decisions of the Board of Directors of the Hellenic Capital Market Commission, issued in this respect, and in particular Decisions 1/434 / 03.07.2007 and 8/754 / 14.04.2016 and includes the following sections:

CHAPTER 1
STATEMENTS OF THE MEMBERS OF THE BOARD OF DIRECTORS (in accordance with article 4 § 2 of Law 3556/2007)

The below mentioned statements by the members of the Board of Directors take place in accordance with article 4 par. 2 of Law 3556/2007, as it is applied today:

1. Charalampos Stasinopoulos of Panagiotis, resident in Glyfada Attica, Em. Kontou Str, 9, **Chairman of the Board of Directors and Chief Executive Officer**.
2. Spyridon Barbatos of Antonios-Ioannis, resident in Psychiko Attica, P. Chatzikonstanti Str 20, **Vice Chairman of the Board of Directors**.
3. Kostantinos Mantzavinatos of Georgios, resident in Ilioupoli Attika, Anexartisias Sq. 7, **Member of the Board of Directors**.

We, under our role as Members of the Board of Directors of PROFILE SYSTEMS & SOFTWARE S.A. (hereto the "Company", or "PROFILE"), in accordance with the applicable law, during the meeting of the Board of Directors of the 7th of April 2017, we declare and certify that according to our knowledge :

(a) the Annual Financial Statements of the Company of the financial year 2016 (01.01.2016-31.12.2016), for the Parent and the Group, which were conducted according to the applicable accounting standards, present the true and fair position of the assets and liabilities, the equity and the results of the Company, and its subsidiaries which are included in the consolidated accounts, according to paragraphs 3 up to 5 of article 4 of Law 3556/2007 and

(b) the Annual Report of the Board of Directors of the Company provides a true and fair description of the significant events that took place during the financial year 2016 (01.01.2016-31.12.2016), their impact on the annual financial statements, including the description of the main risks and uncertainties that the Company faces, , the material transactions that took place between the Company and its Subsidiaries (in accordance with their definition under IAS 24), as well as the evolution of the activities and performance of the Company and its Subsidiaries which are included in the Consolidated accounts.

Nea Smyrni, 7th of April 2017
The declaring Members of the Board of Directors

Charalampos Stasinopoulos	Spyridon Barbatos	Konstantinos Mantzavinatos
ID. Σ 577589	ID. AE 077416	ID. Π 280422

CHAPTER 2
REPORT OF THE INDEPENDENT CERTIFIED AUDITOR

Independent Auditor's Report
To the Shareholders of “PROFILE SYSTEMS & SOFTWARE S.A.”

Financial Statements’ Report (Company and Group)
We have audited the accompanying separate and consolidated financial statements of “PROFILE SYSTEMS & SOFTWARE S.A.”, which comprise the separate and consolidated statement of financial position as at December 31, 2016, the separate and consolidated income statement and statement of comprehensive income, statement of changes in equity and statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management’s Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these separate and consolidated financial statements in accordance with International Standards of Financial Information (reporting), as these have been approved by the European Union, as well as including those measures considered as necessary precautions by the management to form the financial statements with accuracy eliminating fraud or error.

Auditor’s Responsibility
Our responsibility is to express an opinion on these separate and consolidated financial statements based on our audit. We have performed our audit in accordance with International Accounting Standards that have been incorporated into the Greek Legislation (Government Gazette /Β΄/2848/23.10.2012). These Standards require our conformity with the rules of deontology, as well as to plan and perform our audit to obtain accurate guarantee, that the Financial Statements are exempted from serious inaccuracies.

The audit includes the realization of processes for the auditing evidences’ assemblage, regarding the sums and the information that are included in the Financial Statements. The processes are selected according to the auditor’s judgment and include the risk estimate of important inaccuracy of the Financial Statements due to fraud or error. For the risk estimate, the auditor takes into consideration the internal audit measuring system, with regard to the composition and accurate presentation of Financial Statements, aiming at the planning of auditing processes relevant to the circumstances and not for expressing an opinion on the effectiveness of company’s internal audit system. The audit also includes the evaluation of appropriate accounting principles and methods that were applied as well as the legitimacy and accuracy of the accountancy estimates made by the Management, and the evaluation of Financial Statements presentation in total. We believe that the audit evidences that we have assembled, are enough and suitable for our audit opinions’ foundation.

Opinion
In our opinion, the separate and consolidated financial statements present fairly, in all material respects, the financial position of the Company «PROFILE SYSTEMS & SOFTWARE SA» and of its subsidiary as at December 31, 2016, and their financial performance and cash flows for the year then ended in accordance with International Standards of Financial Information, as these were approved by the European Union.

Report on Other Legal and Regulatory Requirements

Taking into consideration that Management is responsible for the preparation of the Management Report of the Board of Directors and the Statement of Corporate Governance included in this Report, in application of the clauses of paragraph 5 of article 2 (part B) of Law 4336/2015, we note the following:

a) The Management Report of the Board of Directors includes a statement of corporate governance which presents the sets of information required by article 43bb of Codified Law 2190/1920.

b) In our opinion, the Management Report of the Board of Directors has been prepared according to the effective legal requirements of articles 43a and 107a and of paragraph 1 (cases c' and d') of article 43bb of Codified Law 2190/1920, whereas its contents correspond to the attached separate and consolidated financial statements of the fiscal year ended on 31/12/2016.

c) According to our opinion formulated during the audit process, with regard to «PROFILE SYSTEMS & SOFTWARE SA.» and its environment, we have not detected any material inaccuracies in the Management Report of the Board of Directors.

Nea Smyrni, 10 April 2017

Kostas I. Roussos
The Certified Public Accountant
SOEL Reg.No. 16801
SOL SA
Collaborating Chartered Accountants,
Part of the Crowe Horwath International
3 Fokionos Negri, 11257 Athens

CHAPTER 3
Annual Report of the Board of Directors for the year 2016

The present Annual Management Report of the Board of Directors (hereinafter referred to as the "Report" or "Annual Report") for the fiscal year 2016 (01.01.2016-31.12.2016) has been drafted and harmonized with The relevant provisions of Greek Law 3556/2007 (Government Gazette 91A / 30.04.2007) and the executive decisions of the Board of Directors. Of the Hellenic Capital Market Commission and in particular the Decisions 1/434 / 03.07.2007 and 8/754 / 14.04.2016, as well as with the provisions of Greek Codified Law 2190/1920. 2190/1920.

This Report contains in summary, yet in understandable, meaningful and comprehensive way all the important thematic sub-sections, which are necessary, based on the above legal framework and it presents in a true and fair manner all the relevant legal information required, in order to extract substantive and detailed information about the activity during the said period of the "PROFILE SA", (hereinafter referred to as "Company" or "Issuer" or "PROFILE") and the PROFILE Group, in which the Group, except PROFILE, includes the following affiliated companies:

• "GLOBALSOFT SA”, with headquarters in Nea Smyrni, Attica, in which the Company participates with a percentage of 97,09%;
• "PROFILE SYSTEMS & SOFTWARE (CYPRUS) LTD", based in Cyprus, in which the Company participates with a percentage of 100%;
• "COMPUTER INTERNATIONAL FRANCHISE LTD", based in Nea Smyrni, Attica, in which the Company participates with a percentage of 50.18%.
In relation to this Limited Liability Company, it is noted that under the Notarial Act No 5055 / 01.07.2008 of the Notary of Athens Chariklia Serveta-Filis, has been dissolved and is in a liquidation status which has not been completed yet;
• "PROFILE SYSTEMS & SOFTWARE (SUISSE) S.A.", based in Switzerland, in which the Cypriot subsidiary participates with a holding percentage of 60%,
• "PROFILE SOFTWARE (UK) LTD", located in the United Kingdom, in which the Cypriot subsidiary participates with a percentage of 100% stake and;
• "PROFILE DIGITAL SERVICES SA", with headquarters in Nea Smyrni, Attica, in which the Company participates with a percentage of 100%.

This Report accompanies the annual financial statements, corporate and consolidated, for the year 2016 (01.01.2016-31.12.2016) and in view of the fact that the Company prepares consolidated and non-consolidated financial statements, this Report is unified, with primary and primary consolidated financial data of the Company and its affiliated companies and by reference to individual (unconsolidated) financial data of the Company, only where it is deemed appropriate or necessary for the best understanding of Its content.

The Report is included together with the Company's financial statements and other statutory figures and statements in the Annual Financial Report for the year ended 2016.

The themes of this Report and their content are more specifically as follows:

SECTION A
Significant events that took place during the year 2016

The significant events that took place during the year 2016 (01.01.2016-31.12.2016) at the level of the Group and the Company and their possible impact on the annual financial statements are summarized as follows:

1. Launch new solutions

Presentation of the new Axia Wealth management Front-end solution

Profile Software announced that the cloud-based investment management platform, Axia, is now available with a new front-end solution that includes a uniquely designed user interface and connectivity capabilities with any back-end investment management system, including IMSplus.

The solution includes a dashboard with multiple panel and layout options, a variety of widgets, client onboarding, CRM, and consulting tools. At the same time, it offers a host of portfolio management and document management capabilities that enable the Wealth Management Company to implement instantly and securely a modern application for both internal users and customers with access from any web browser device.

Axia's flexible and easily customizable user interface can fully meet the requirements of Relationship Managers in terms of displaying the interface as it allows customization of the theme / logo, dashboard panels. In addition, it offers functionality for customizable forms and customer questionnaires providing enhanced user experience and business versatility at all levels. The client onboarding feature includes collecting customer static data, managing documents, and questionnaires, selecting investment strategies, and generating investment proposals.

Additionally, built-in advisory tools offer the ability to easily compare existing portfolios with the selected allocation strategy and asset allocation for potential and new clients, including alerts and push notifications, . Grouping and detailed viewing are available instantly, "one-click", offering both a comprehensive and a detailed presentation depending on the user's choice.

Profile presents the new version of FMS.next P2P Lending at the annual AltFi Europe Summit 2016 conference in London

Profile, supporting for one more year the work of the annual AltFi Europe Summit 2016 conference, presented the new version of the FMS.next P2P Lending solution, which fully and flexibly covers the requirements of companies in Alternative Banking and FinTech.

Profile participated in the work of this conference by presenting the innovative FMS.next P2P Lending solution that fully supports marketplace lending requirements and is the top choice for managing alternative finance operations internationally. It is a dynamic and flexible banking platform that automates the processes for both startups and existing companies combined with award-winning investment management functions and an attractive front-end environment. Modular architecture enables FinTech Company to select the functions required to support its business plan while offering selective activation of various subsystems based on the future engagement and expansion of the business.

FMS.next offers customization capabilities for flexible customization based on customer's business needs and automation of everyday tasks to help optimize performance and user satisfaction. FMS.next solution P2P Lending empowers companies to better monitor and manage their processes through an integrated, modern and user-friendly environment for both managers and investors / lenders.
The solution also includes a dynamic workflow mechanism that provides the ability to interconnect individual steps of steps with users and specific instructions and tasks.

At the same time, it provides all the possibilities for automating the loan process, risk management and loan categorization, based on the risk based pricing, and includes functionalities easily customizable for investment management in both the primary and secondary markets.

New version of FMS.next for integrated approach to Collections, Debt Management and Digital Banking

Profile Software has fully upgraded its FMS.next banking platform to fully cover the new challenges of the financial and banking sector, both domestically and abroad, where the presence of the Company is constantly increasing, at a time when there is urgent need to finance investment and business operations, as well as a thorough monitoring of overdue liabilities and debts in general for the internal market, for example, NPLs.

This is a major upgrade based on the international experience that Profile has gained from its presence in more than 20 countries, including France, the United Kingdom, etc., in Core Banking, Risk Management, Loan Management, Digital Banking and Alternative Finance, incorporating new and sophisticated solutions, some of which are already selected by international financial institutions, offering increased flexibility and the ability to quickly market and market new products.

In particular, FMS.next offers advanced banking functions based on state-of-the-art technologies and international practices to support banks and financial institutions in meeting market demands and optimizing their customer experience at all levels by using modern tools.

FMS.next provides top-of-the-line solutions with fully automated work to manage overdue debt and debt recovery. Solutions are used successfully by international banking organizations supporting different processes and applications according to the policy implemented by each organization. The solution includes the facilities integrator, which allows unified interconnection with third-party credit line systems, guarantees, etc., a system for managing policies and operations, offering easy and continuous adaptation to complex and evolving arrangements, as well as a decision support mechanism With business intelligence tools based on the organization's requirements and strategy for Collections and Recovery Management.

FMS.next has a modern and flexible architecture that allows easy enrichment with new features according to market requirements. This ensures optimized automation and process management, advanced risk assessment management and regulatory compliance, while ready interfaces to contribute to immediate and efficient interconnection.

The platform is also selected by international branchless banks based exclusively on digital technologies to communicate more effectively with their customers through all available channels, significantly improving their services. In addition, it is a choice of alternative finance organizations seeking banking services with advanced funding and investment management capabilities as well as risk management to protect both the Company and the investor / lender.

FMS.next is continuously enriched with significant functionality to successfully meet existing and future international needs, while incorporating a range of sophisticated and modern tools that enhance performance and service.

2. Significant International Distinctions

During 2016, the Company gained a number of important distinctions from international rating agencies as a result of the rich functionality and innovative approach of its solutions. The most important distinctions received are analyzed below:

• New Distinction for Profile at Wealth Briefing Awards

Profile was proposed to claim distinguished awards from both the Swiss Wealth Briefing Awards in the Onboarding and Innovative Client Solution categories as well as the European Wealth Briefing Awards in the Onboarding category. These distinctions highlight the Company's commitment to the development of innovative and customer-centric solutions that meet the key requirements of modern financial institutions worldwide.

Profile was a candidate in these categories based on the presentation of top solutions, IMSplus and Axia, developed for the investment management industry. Axia is the new cloud-based, omni-channel investment management platform that offers integrated front-to-middle functionality. It includes dynamic client onboarding functions that ensure that the necessary processes are maintained for the organization, while providing unique usability for the relationship manager and his client.

- **Distinguishment of Profile with Good Accredited Standard 2016 for the 4th year**

Profile has been awarded the Good Accredited Standard Award for the fourth consecutive year, following an international evaluation. Based on this distinction, the Company's top solutions, IMSplus, Axia, and FMS.next P2P Lending qualify for "System in the City Awards". Systems in the City Awards (SITC) are organized by Goodacre UK, a leading financial services consultancy firm, and are the most independent annual awarding organizations for financial sector suppliers. In order to distinguish, companies must meet specific criteria with project implementations. Solutions with successful applications qualify for the "Systems in the City" award. The winners are selected amongst others on the basis of the performance and superiority of their solutions as well as customer satisfaction on an annual basis. Profile has been included in the fourth year awards, highlighting its growing international customer base, constantly investing in the new functionality of its solutions, and commitment to the development of innovative applications for the wider financial sector, providing space companies with the tools to achieve functional performance and competitive advantage.

- **Multiple international distinctions for Profile management wealth management solutions**

Profile Software has announced that its Wealth Management solutions have prevailed in two of the four categories in the "Wealth Management Technology Vendors: Evaluating Front-to-Back Office Platform Vendors," winning the XCelent Wealth Management Awards "Technology" and "Customer Service" based on the ABCD Vendor View, among the top international software manufacturers.

At the same time, the IMSplus and Axia platforms were selected in the WealthBriefing region Awards 2016 in six categories, namely the Front-Office solution, Portfolio Management, Risk Profile Solution, Risk Management, On-Boarding and Innovative Client Solution ». In addition, IMSplus has qualified in the Banking Technology Readers' Choice Awards in the Best Private Banking System category.

Celent's industry study uses ABCD Vendor View, which illustrates the relative position of software companies in the following categories: Advanced Technology, Breadth of Functionality, Customer Base, and Depth of Service Depth of Client Service on the X / Y axes. According to Celent analyst Ashley Globerman, "Profile Software has been distinguished due to its modern UI and its dynamic workflow." In addition, the study presents Axia's Omni-channel wealth management profile platform, while emphasizing extensive portfolio management tools, easy and investor-friendly workflow, integrated business management, CRM, strategic planning, Asset class support, trade & compliance as well as the advanced functionality of financial planning.

Profile has been significantly upgraded throughout its presence in terms of the extent and classification of its discrimination over previous years, which highlights the Company's emphasis on providing innovative and technologically advanced solutions with competitive features.

- **Additional distinctions for Profile solutions in investment management and banking**

Profile has announced the recent international recognition of its solutions by established firms. The IMSplus and Axia platforms were awarded the risk profiling Solution, Risk Management, and On-Boarding at the WealthBriefing GCC region Awards 2016. At the same time, they qualified for WealthBriefing Swiss Awards in six categories, namely Portfolio Management, Client Communications, Risk Profile Solution, Risk Management, Onboarding, and Innovative Client Solution. The winners will be announced at a special gala to be held at Hotel President Wilson on 9 February 2017 in Geneva.

In addition, Profile solutions received a number of awards from internationally recognized research organizations and in particular emerged with the award "Innovation in Investment Management Solutions - Bi Annual Award" by Wealth and Finance, "Best Core Banking Solutions Provider Europe 2016 Award" The Global Banking & Finance Review, as well as the 2016 Technology Innovator Awards 2016 and the 2016 CV Innovation Award by IMSplus Investment Management Platform by Corporate Vision.

In addition, Profile Software solutions have been selected in the following categories:

• "Technology Firm" awarded at the upcoming MENA Insurance Awards
• "Best Financial Performance in Medium - Small Cap", "International Operations Award" and "Business Innovation Award" by CHRIMA magazine
• "Outstanding Wealth Management Technology Provider in Switzerland (Middle and Back Office)" and "Outstanding Front-End Digital Solutions Provider" by Private Banking Switzerland Awards 2016
• "Best Bank IT Integration - Switzerland 2016" by CFI.co IT Awards
• "Best Private Banking System / Service" - Readers' Choice from Banking Technology Awards

The above distinctions further support the Company's commitment to providing innovative and credible FinTech solutions to banking, investment management companies and alternative financial institutions internationally.

• Other Distinctions

- Profile received the Innovative Use of Technology 2016 - IMSplus award from the 2016 AI Hedge Fund Awards. This distinction is the result of in-depth research and evaluation of a team of judges to ensure that all supporting material highlights the most efficient and successful companies identified with this selection.
- Proposed for the "Technology firm" award from the MENA IR Awards, resulting not only from the expanding base in the Middle East and Africa, but also due to the competitive features of IMSplus Insurance Investment Management.
- The IMSplus Investment Management System was awarded the "Best Technology Solutions for Portfolio Management" award by the International Hedge Fund Awards 2015. The awards

recognize the most important companies in the field in terms of differentiation and achievements during the year, Emerging sectors and asset classes.

- Proposed by FStech Awards as "Technology Provider of the Year". These awards recognize innovation and excellence in the IT sector for the financial sector in the UK and EMEA.

Other product and group distinctions include the "Best P2P Lending Platform" and "Best Wealth Management Solution Provider" from the International Finance Magazine "Hedge Fund Excellence Award 2016" by the International Wealth and Finance International publication, the " Most Innovative Banking Payments Solution Provider - EMEA 2016 "from the FinTech Awards CFI.co," Most Innovative Investment Management Software 2016 "from Global Fund Awards, UK's Most Innovative Hedge Fund Manager of the Year by AI Hedge Fund In 2016, "Innovation in Investment Management Solutions 2016" from Wealth and Finance International publication, and was awarded the "Best Wealth Management Software Provider - Europe 2015" by Global Banking & Finance Review, Wealth Management Application for the Year "for the Mobius Wealth of Technology Innovator Awards 2015.

3. International events attended by the group

- The Profile at Middle East Wealth Management forum, Dubai
- Profile presents the new version of FMS.next P2P Lending at the annual AltFi Europe Summit 2016 conference in London
- Profile sponsor at the Private Banking & Wealth Management conference in Cyprus
- Profile participates in the 11th MERB of Dubai
- Presentation of Wealth Management research at WealthTech 2016 in London
- Participation in the DotFinance International Conference in Kenya
- Participation in the International Innovation and Technology Exhibition INOTEX 2016
- Participation in the international conference on banking, Sibos 2016, in Switzerland, with a new range of solutions and events
- Participation in the WMA Summit 2016 International Conference in London
  Participation in North Africa Banking technology exhibition in Cairo

4. Extension of activities

Widening Profile's presence in the Middle East

The Company continues to systematically invest in the development of long-term partnerships with local Integrators that have demonstrated a successful track record in the financial sector by offering comprehensive support and representation of the Company's innovative solutions in the region.

A significant percentage of the Company's new partnerships are related to the wider Middle East and Africa region in order to further support the efforts of the local Profile team in the commitment to provide integrated customer solutions through credible local partners.

Expansion of Profile's activities in the Asian market

In the first half of 2016, the Company expanded its operations in the wider Asia region with strong presence in specialized industry events such as TOAP summit 2016 - "Trust reinvented", Makati City, Philippines Hubbis Wealth Management in the Philippines and BankTech Asia.

Dynamic presence in the United Kingdom

Within the framework of effective and successful support for its new clients, the Company has created a center of excellence and staffed the local business unit with specialized staff with years of experience and resonance in the financial market of England. Applying its business plan, it has completed its relocation to new offices in order to cover the growing needs of the clientele with additional staff managed by a dynamic management team.

The company has a strong presence in the field, taking part in international prestigious conferences such as the AltFi Europe summit 2016, WealthTech 2016, and has won competitions such as Systems in the City and others.

5. A significant number of new customers

Throughout 2016 Profile managed to attract a significant number of new clients and complete complex projects. Below are some indicative important projects undertaken and / or completed by the Company during the period:

• The international banking organization Banque Travelex S.A., based in Paris, has chosen the FMS.next banking platform as the central system for the provision of multi-currency online banking services on the French market. Following an international ranking of leading banking systems, Banque Travelex chose FMS.next as the bank's core banking management platform. Through its modular design and modern technology standards, FMS.next allows for easy adaptation to the organization's requirements as it grows and diversifies, offering high levels of flexibility for both Travelex and its partners.

• Fiduciam, a growing alternative banking company based in London, chose the FMS.next banking platform to effectively manage its lending business. Fiduciam is a lending organization with funds from pension funds and offers its services to young entrepreneurs and small and medium-sized businesses. A key success factor for the Company is the continued adoption of new technologies to deliver flexible lending packages in a more accessible and, most importantly, more efficient way for a wide range of businesses. Following a comprehensive evaluation of available software systems worldwide, Fiduciam chose FMS.next for Profile lending because of the flexibility, usability and automation of processes, as well as the security, control, data protection and regulatory compliance it offers which is absolutely crucial for new and growing businesses in the area.

• T.C.R. International Ltd, a fast-growing investment company in Cyprus, has chosen the internationally-awarded IMSplus Investment Management Platform for the integrated and effective support of its wealth management operations. T.C.R. International offers financial institutions and large equity investors (High Net worth Individuals) a wide range of financial solutions, responding to the specialized needs and requirements of its clients. The Company provides fund, administration, management, portfolio and stock trading services with access to all major OTC and Over The Counter markets, enabling customers to diversify their portfolio extensively. Following an in-depth international evaluation of the leading wealth management software providers, T.C.R. International has chosen IMSplus's Profile solution based on the advanced functionality it offers for automating processes with web and mobile capabilities, customizable reporting and regulatory compliance. IMSplus, through the utilization of all its front-to-back operations, will contribute to the comprehensive coverage of TCR's existing portfolio management requirements while contributing to the optimization of the services offered through the KYC and CRM tools provided as well as the available links for a complete approach. At the same time, T.C.R. will be able to provide its customers with up-to-date portfolio valuation analyzes and performance at any time as well as extensive customer reporting and MIS capabilities.

• Albilad Capital, Albilad Bank's investment management company, one of the largest banks in Saudi Arabia, chose IMSplus Custody to automate procedures in the newly established custody and ensure regulatory compliance. Albilad Capital, licensed by the Saudi Capital Market Authority since 2008, offers a wide range of investment services and solutions to individuals and institutional investors as well as corporate clients. Since its inception, the Investment Banking Division has been providing financing for capital and securities markets for its clients, which are active in various sectors, such as Petroleum and Fuel, Petrochemical, Real Estate and Telecommunications. Following an international supplier evaluation, Albilad Capital chose IMSplus Custody to optimize Custodian operations, meet multi-entity management needs and investment classes including local and international networks. Albilad will acquire integrated transaction management with a workflow as defined by the Company. It will also ensure compliance through the compliance rules engine, pay and tax calculations, file comparison simplification, and customizable transaction reporting and MIS. IMSplus Custody allows policy-makers to communicate with international standards using protocols and defined connectors, and has ready-made connections with market data providers. In addition, Albilad Capital will be able to offer advanced services to its customers by utilizing the modern functionality of IMSplus for portfolio reporting and performance analysis. At the same time, applying state-of-the-art technologies, custodian customers will be able to access their investments from anywhere via Web application, to update their investments immediately. Additional functionality for a more comprehensive customer approach was one of the reasons why Albilad Capital opted for IMSplus.

• The BAC San Jose Puesto de Bolsa SA, based in Costa Rica, Central America, has chosen the IMSplus platform to manage its investment operations and automate the processes involved.

BAC San Jose, a member of the BAC Credomatic Group, is the largest private financial institution in Costa Rica, with subsidiaries active in the securities, insurance and retirement programs. The group has more than half a century of presence in the country and is expanding to six Central American countries (Nicaragua, Honduras, Guatemala, Panama, El Salvador and Costa Rica), offering private and commercial banking and credit card services. Following partnerships and acquisitions, the bank currently employs more than 20,000 people by providing high-quality financial services through payments, innovative and profitable financial proposals to optimize wealth management, create jobs, and promote sustainable and equitable economic growth in the markets. BAC has been awarded the Best Private Bank by Global Finance.

Following an extensive process of international software vendor evaluation, BAC San Jose Puesto de Bolsa SA chose IMSplus for the integrated management of the Group's investment operations, based on the functionality of the process automation platform, while also upgrading the service its customers through the use of specialized MIS capabilities and customizable reports. BAC San Jose Puesto de Bolsa will also be able to easily monitor its portfolio and transactions at any time, improve its processes and comply with international standards.

IMSplus is continuously enriched with new and advanced features that can be easily added to the basic version at any time, adding value to customer processes and responding to the ever-changing market needs of modern financial services technologies. The system has a number of additional functionalities (modules) and offers integrated interfacing with third party systems.

6. Annual Ordinary General Meeting of Shareholders of the Company

On June 16, 2016, the Annual Ordinary General Meeting of Shareholders was held at the offices of the company's headquarters (Nea Smyrni Attica, Syngrou Avenue, no. 199), in which shareholders attended in person or represented, representing 7,230,755 common registered shares and an equal number Voting rights, namely 61.21% out of a total of 11.812.193 shares and equal voting rights of the Company. It is noted that for 49,155 common registered shares, the voting rights were suspended as provided in article 16 paragraph 8 of Codified Law 2190/1920. 2190/1920, as own shares of the Company.

The Annual Ordinary General Meeting of the Company's shareholders took the following decisions on the items on the agenda:

• On the 1st issue, it approved unanimously the annual Financial Statements (corporate and consolidated) for the fiscal year 2015 (01.01.2015-31.12.2015) and the annual Financial Report for the said financial year in the form published and submitted to the Competent Supervisory and Supervisory Authorities.

• On the 2nd issue, it unanimously approved the Annual Management Report of the Board of Directors, which is included entirely in the minutes of the Board of Directors of the Company of March 30, 2016 and the Audit Report of the Auditor-Accountant of the Company Mr. Konstantinos I. Roussou regarding the annual Financial Statements for the fiscal year 2015.

• On the third issue, it unanimously approved the distribution (distribution) of the results for the year ending 31.12.2015 and in particular approved the non-distribution of any dividend to the shareholders of the Company from the results for the year 2015 (01.01.2015- 31.12.2015).

• On the 4th issue, it approved unanimously and as a result of a vote made by a shareholders' call, the exemption of the members of the Board of Directors and the Auditors of the Company from any liability for compensation for the proceedings and the overall management of the closed fiscal year 2015 (01.01.2015 -31.12.2015), as well as for the annual Financial Statements of the said fiscal year.

• On the 5th issue, he unanimously approved the election of the registered in the Special Register of article 13 par. 226/1992 of the Audit Company under the name of "COOPERATIVE CERTIFIED ACCOUNTANTS SA" for the regular auditing of the Company's annual and six-month financial statements for the current fiscal year 2016 (01.01.2016-31.12.2016)) And in particular Mr. Konstantinos Roussos of Ioannis (SOEL 16801) as a Regular Certified Auditor-Accountant and Mr. Panagiotis Korovessis of Ioannis (SOEO SOE). L. 16071) as a Certified Auditor-Accountant. It is noted that the aforementioned Audit Firm will also issue the annual tax certificate and the tax compliance report of the Company for the year 2016 according to the provisions of article 65A of law 4174/2013, as amended today. Finally, in that decision, the Board of Directors authorized the Board of Directors to reach a final agreement with the aforementioned Audit Firm regarding the amount of its remuneration, which will not exceed the amount of its remuneration for the previous financial year 2015, as well as And send the written notice to the Audit Committee elected within five (5) days from the date of its election.

• On the 6th issue unanimously approved the fees, salaries and allowances paid to the members of the Board of Directors for the services they provided to the Company during the previous financial year 2015 (01.01.2015-31.12.2015) and on the other hand pre-approved the fees Which will be paid to the members of the Board of Directors during the current fiscal year 2016 (01.01.2016-31.12.2016) and until the next Annual Ordinary General Meeting. It also unanimously approved the renewal of the contract between the Company and its Chief Executive Officer.

• On the 7th issue unanimously approved the permit according to article 23 par. 2190/1920 to the members of the Board of Directors and the Directors of the Company in order to participate in Boards of Directors or other companies of the Group (existing or future) pursuing similar, related or similar purposes and to act on behalf of third parties To one of the purposes of the Company.

• On the 8th issue, it decided unanimously to approve the purchase of own shares of the Company pursuant to the provisions of article 16 of Codified Law 2190/1920. 2190/1920 as in force today, and in particular approved the purchase within a period of twenty-four (24) months from the date of the present decision, a maximum of one million (1,000,000) common registered shares, corresponding to a percentage 8, 47% of the total existing shares of the Company, with a market price range of 0.30 Euro per share (minimum) and Euro 4.00 per share (maximum). At the same time, the General Meeting of Shareholders gave its decision to the Board of Directors to authorize the proper implementation of this procedure.

• In the 9th issue, certain announcements by the Bureau of the General Meeting concerning the results and the course of the Company were made to the shareholders present.

7. Issuance of a tax certificate for the year 2015, according to the provisions of article 65A of Greek Law 4174/2013

The Company, pursuant to the provisions of paragraph 4.1.3.1 of the Athens Stock Exchange Regulation and Article 10 par. 1 of Law 3340/2005, has informed the investing public that following the special tax audit for the year 2015, conducted by the Statutory auditors in accordance with a. 65A of Law 4174/2013, both to the Company and to its subsidiary "GLOBALSOFT SA" were issued corresponding tax certificates with unconditional conclusion.

8. Covering the financial needs of a subsidiary company

During the financial year 2016, the Company fully covered financial needs amounting to approximately € 2.250.000,00, which were incurred as part of the implementation of the project "Digital Recording, Storage and Distribution of Proceedings of Court Meetings with PPPs (Public Private Partnership)", which has undertaken the 100% percent of the subsidiary under the name "PROFILE DIGITAL RECORDING, STORAGE AND DISPOSAL OF PRACTICAL SESSIONS OF THE COURTS" and the distinctive title "PROFILE DIGITAL SERVICES SA"

SECTION B

Evolution, performance and position of the Company and the Group - Financial and non-core performance indicators

This section includes a fair and concise representation of the evolution, performance, activities and position of all the undertakings included in the consolidation. This depiction takes place in such a way as to provide a balanced and comprehensive analysis of the above categories of subjects, which corresponds to the size and complexity of the activities of those undertakings. Also at the end of the relevant depiction are some indicators (financial and non-financial) that the Company's Management considers useful for the fuller understanding of the above issues.

1. Financial Data

In the financial year 2016, there was another special year for the Greek economy as political and economic developments were rapid and continuous. The capital controls that apply until now are undoubtedly an important point of reference.

The Group managed to stabilize its turnover and profitability in this particular ominous environment. An important role in this was played by the significant increase of the Group's activity in the international markets as well as the Group's ability to complete complex projects even within an unstable environment. At the same time, the Group continues to monitor the developments of the Greek economy and to take all necessary measures to ensure the smooth pursuit of its professional activity. Through the effort to increase the productivity of both human and financial capital, the Group aims at the stability of the financial indicators and in the improvement of the operational positive results.

2. Evolution and performance of the Group

The course of the Group's basic financial figures over the past three years is as follows:

GROUP	31.12.2016	31.12.2015	31.12.2014	2016-2015	2015-2014
Total Assets	37.021.625	29.890.596	27.968.127	23,86%	6,87%
Total Equity	17.274.730	16.688.498	15.723.862	3,51%	6,13%
Revenue	9.292.681	9.408.611	9.655.388	(1,23)%	(2,56)%
Gross Profit	4.135.276	4.071.155	3.953.266	1,57%	2,98%
Profit before taxes	545.492	979.007	970.684	(44,28)%	0,86%
Profit net of taxes	593.586	893.621	893.354	(33,57)%	0,03%
EBITDA	2.817.097	2.841.421	2.882.173	(0,86)%	(1,41)%

Sales

The Company continued to develop, promote and distribute its own products in the closing year of 2016, even achieving a gross profit margin of 44.5% compared to 43.3% in the year 2015, reflecting the Company's momentum. Despite a 1.2% decrease in sales over the previous year, the Group maintained EBITDA at 30%. Profit after tax is reduced to € 593 thousand from € 893 thousand in the previous year due to increased depreciation.

For the year 2016 it is proposed not to distribute a dividend in order to further increase the liquidity in order for the Company to carry out the investments of its business plan with the main purpose of enhancing its extrovertness and its attempt to enter new geographic and product markets .

3. Financial and non-core performance indicators of the Group (consolidated figures)

Below are some financial and non-financial ratios that are relevant to the Group's, Company's and Company's key performance, position and financial position.

	GROUP		COMPANY	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Asset Capitalization: (The index shows the proportion of funds allocated to fixed assets)	37,77%	34,87%	40,19%	48,5%
Equity/ Fixed Assets: (The indicator shows the capital structure)	1,24	1,60	1,37	1,23
Days in Receivable Ratio: (The index depicts the days required to collect receivables from customers)	248	274	165	311
Total Liabilities / Total Equity & Liabilities: (The index shows the debt dependency)	53,34%	44,17%	45,05%	40,32%
Equity / Total Equity & Liabilities: (The indicator shows debt dependency)	46,66%	55,83%	54,95%	59,68%
Loans / Equity: (The index shows what proportion of equity is the total of debt obligations)	35,38%	29,99%	40,25%	32,37%
Current Assets / Short-Term Liabilities: (The indicator shows the coverage ratio of short-term liabilities from assets readily available for assets)	1,90	1,83	1,78	1,67
Return on Assets: (The indicator shows net profit after tax as a percentage of assets)	1,60%	2,99%	(0,73)%	(0,82)%
Return on Equity: (The index reflects net profit after tax as a percentage of Equity)	3,44%	5,35%	(1,32%)	(1,37)%
Gross Profit Margin: (The indicator shows Gross Profit as a percentage of sales)	44,50%	43,27%	25,31%	34,55%
Net Profit Margin: (The indicator shows net profit after taxes and minority interests as a percentage of sales)	6,04%	9,77%	(2,17)%	(3,13)%

4. Alternative Performance Meters

As an Alternative Performance Measurement Indicator, according to the definition of the European Securities and Markets Authority, a financial measure is used to measure historical or future financial performance, financial position or cash flows, but which is not defined or provided for in the current financial reporting framework. Although not included in IFRSs, Alternative Performance Measurement Indicators should be evaluated as ancillary and always in conjunction with IFRS results in order to better understand the Group's operating results and financial position in order to facilitate decision-making of the users of the financial statements.

The Group has not made adjustments to the amounts of the statement of comprehensive income, statement of financial position or cash flow statements in the current financial period and the comparative period, and has not implemented any extraordinary or non-recurrent income or expense that would have a significant impact in the formation of these indicators.

In the context of the Alternative Performance Measurement Indicators, the Group quotes the "Earnings before before Interest, Taxes, Depreciation and Impairment - EBITDA" ratio. EBITDA is calculated as the sum of the operating results (earnings before taxes, financing and investing results) and depreciation. The EBITDA margin (%) is calculated as the EBITDA quotient for the entire Turnover.

	GROUP		COMPANY	
ASSETS	**31.12.2016**	**31.12.2015**	**31.12.2016**	**31.12.2015**
Operating results (Profit before tax, financial & investment results) (A)	765.836	976.746	(74.289)	(78.130)
Total Depreciation (B)	2.051.261	1.864.675	1.600.858	1.586.145
EBITDA (A) + (B) = (C)	**2.817.097**	**2.841.421**	**1.526.569**	**1.508.015**
Revenue (D)	9.292.681	9.408.611	9.038.394	6.566.321
EBITDA margin (%) (C) / (D)	**30,3%**	**30,2%**	**16,9%**	**23,0%**

SECTION C

Major risks and uncertainties

The Company is active in a highly competitive and highly demanding international environment, which is changing rapidly and rapidly, and over the last few years systematically and with a specific development plan it has been trying to steadily and safely strengthen its extrovertness, Not geographically, but in the geographical areas of strategic interest, focusing on state-of-the-art technologies and the constant technological upgrading of the products and solutions it provides while parallel develop new activities and promotes entry into new markets, in order to further enhance its competitiveness, especially since the domestic market has, due to the ongoing recession, intense negative outlook.

Its specialized know-how, its years of experience and presence in the field, its organization and the intense activation of all its executives, its wide recognition in connection with the study, development and marketing of new products, as well as the continuous improvement And upgrading the existing ones, focusing on the quality and the ability to meet demand directly and the changing needs of end customers, as well as the creation of strong infrastructure and the penetration into new markets, an assistant The Company remains competitive despite the inherent problems faced by the industry, which have intensified particularly in the context of the protracted economic crisis.

The limited and in any case controlled financial exposure of the Group and its significant qualitative and product diversification, combined with the continuous development and upgrading of its products, as well as the expansion of the Group in new geographic markets, constitute the main equipment for the Group To minimize the negative effects of the unprecedented economic crisis, but it is expected that in the current period the Group's revenues and results will inevitably be affected by the intensity and The increase in the phenomenon and the general state of suffocation and the lack of liquidity in the market, whose situation has deteriorated considerably with the imposition of restrictions on the movement of capital and which leads a large part of the broad customer base to which the Group is seeking to suspend investment projects The postponement of programs for modernization.

The usual financial and other risks to which the Company and the Group are exposed and which risks it may encounter during the current year 2017 are market risks, credit risk, liquidity risk, etc. Specifically:

1. Demand reduction due to the general recession

Although this specific risk is limited due to the specific categories of software developed and marketed by the Company, however, in order to avoid demand reduction due to the general downturn prevailing in the Greek market and the consequent shrinking of the potential customer base in the domestic market, The Company develops a wide and wide range of products in different categories addressed to the international market in order to compensate for potential losses in specific market sectors let. The Company develops and develops its software products based on continuous and day-to-day market monitoring and research, as well as on new technologies, so as to equalize potential losses by entering new markets.

However, in view of the general negative conditions, which inevitably affect the Company's activity as well as the particularly downturn prevailing mainly in the domestic and world markets, this risk is judged to be actual and capable of affecting the results The Group and the Company during the current year. For this reason, given that the crisis intensity is much greater in the market, particular emphasis is placed on strengthening the company's outward focus and expanding the international presence of the Group.
In addition, the referendum held in the United Kingdom on 23 June 2016, the outcome of which is the decision to leave the United Kingdom from the European Union, creates a climate of uncertainty in the world economy. Due to the long-term implementation schedule, the effects on markets are still unknown, and any relevant provision is considered to be extremely precarious.

2. Risk of increased competition from imported companies

The specific risk is always present and measurable in the area where the Company operates, especially if it is taken into account that entry barriers are not so strong in this field, as the majority of the technical terms used for the implementation and integration of information Systems and customization of software products are widespread, which allows foreign companies to penetrate relatively easily to the market, taking advantage in particular of comparative advantages available, especially in sizes level. The Company addresses this risk with emphasis on the design and development of quality and modular products, the systematic and targeted improvement, upgrading and adaptability of the products it already markets, the representation of powerful and world-known companies, the creation of lasting and trustful relationships with its customers Basis and the expansion of its activities abroad. Nevertheless, the specific risk is a viable and potential risk at any time and this importance is addressed by the Company's Management, for which reason the Company always emphasizes its quality and product diversification and in general the provision High-level services to its customers, while systematically enhancing its outward-looking approach to overcoming this risk and upgrading its role and presence on the international market, which Makes it more resilient to address this risk. In addition, the steady increase in the global market size partially mitigates the impact of competition, so that activity outside Greece can offset any inevitable losses in the Greek market.

3. Risk of technological developments

Technological developments have a major impact on the competitiveness of companies active in the IT sector. Companies that are active in the IT industry must be constantly aware of possible variations in existing technology and make the necessary investments to ensure the high technological level.

On the basis of the above and to reduce as much as possible the risk of technological developments, the Group:

• develops products on highly efficient and internationally recognized platforms.

• Continuing training of staff on technological issues, in collaboration with internationally recognized organizations specialized in high technology industries.
• offers innovative applications commensurate with the needs and requirements of the market.

For these reasons, the specific risk is not considered to be particularly significant in the given time period.

4. Credit risk

Company Management, based on its internal operating principles, ensures that sales of goods and services take place to customers of high creditworthiness and ability. Due to the expansion of the Company's activities abroad, this risk is real compared to customers from other countries (especially African and Asian countries) for whom it is not always easy to effectively control their creditworthiness Capacity and reliability. For this reason, the Company constantly develops and develops internal operating mechanisms (in terms of negotiation, contract and project management) in order to better address this risk. Within this framework and the valuation methods available to the Company, the Group has not yet addressed significant amounts of doubtful debts, for which no adequate provision has been made. Hence, this risk, although present in view of the overall negative economic climate, is currently being assessed as a controlled one. However, if there is a further deterioration in the conditions for the growth of economic activity in the coming months, and in particular the Greek market as a consequence of the imposition and maintenance of capital restrictions, this risk may affect the Company's results. Note 15 of the financial statements provides an analysis of the receivables from customers.

5. Liquidity risk

Management pays special attention to managing this risk, monitoring it by monthly and quarterly forecasting and cash flow monitoring, and continually evaluating and re-evaluating the strategy associated with its effective management. On the basis of the current data, this risk is presented as controlled, but due to the volatile environment and the instability observed at both domestic and international level, systematic upstream monitoring is a prerequisite for ensuring this control.

Notes to Notes 22 and 25 of the financial statements are a table showing the Group's loans and other liabilities.

6. Interest rate risk

The interest rate risk for the Company is not particularly significant since the Company's borrowing is linked to Euribor and the Company has a limited and in any case controlled exposure to bank borrowing. The Group's policy is to keep the amount of total borrowing at a variable interest rate and to take corrective action whenever necessary while avoiding, as far as this is permissible in general business, exposure to further lending.

The limited exposure of the Group to borrowed funds makes the change in interest rates unimportant for the Group's results. It is noted that the cash and cash equivalents of the Group exceed the total bank borrowing.

7. Risks from capital controls in the Greek banking system

Under the Legislative Content Act of 28-06-2015, Greek banks were placed in a public holiday while at the same time controls on capital movements were imposed in accordance with a decision of the Ministry of Finance. The bank holiday expired on 20-07-2015, while capital controls remain in force until the date of this Report, although the framework is continually improving towards alleviating the restrictions initially imposed.

The Company, despite its volatility, liquidity and uncertainty, both on a political and financial level, continues to operate smoothly and without any significant impact on the Group's overall activity. However, the Management of the Company keeps an eye on the developments and assesses the situation and possible future consequences in order to ensure through timely planning the implementation of all the necessary actions and the implementation of the measures considered appropriate for the appropriate delays by the Domestic banks in the financing process and finding alternatives to minimize adverse effects In the operation, financial performance, cash flows and the financial position of the Company and the Group in general.

SECTION D’

Significant transactions with related parties

This section includes the most significant transactions between the Company and its affiliates (affiliated parties) as defined in International Accounting Standard 24.

In particular, this section includes:
(A) Transactions between the Company and each related party during the current year 2016 (01.01.2016-31.12.2016) that materially affected the financial position or performance of the Company during the period in question; and
(B) Any changes in the transactions between the Company and any related party described in the last Annual Report which could have a material effect on the Company's financial position or performance in the year 2016.

The persons associated with the Company are as follows:
A) "GLOBALSOFT SA”, with headquarters in Nea Smyrni, Attica, in which the Company participates with a participation of 97, 09%.
B) "PROFILE SYSTEMS & SOFTWARE (CYPRUS) LTD", based in Cyprus, in which the Company participates with 100%.
C) "COMPUTER INTERNATIONAL FRANCHISE LTD", located in Nea Smyrni Attica, in which the Company participates with a participation percentage of 50.18%. It is noted that this company has been dissolved and is in a liquidation status which has not yet been completed.
(D) "PROFILE SYSTEMS & SOFTWARE (SUISSE) S.A.", with its registered office in Switzerland, in which the Cypriot subsidiary participates with a holding of 60%.
(E) "PROFILE SOFTWARE (UK) LTD", with its registered office in the United Kingdom, in which the Cypriot subsidiary participates with a 100% holding; and
F) "PROFILE DIGITAL SERVICES SA", with headquarters in Nea Smyrni, Attica, in which the Company participates with 100% participation.

Note that the reference to the above transactions, which follows, includes the following:

(A) The amount of such transactions for the year 2016 (01.01.2016-31.12.2016),
(B) Their outstanding balance at the end of the year (31.12.2016);
(C) The nature of the relationship of the related party with the Company as well as
(D) Any transaction information necessary to understand the Company's financial position only if those transactions are material and have not been conducted under normal market conditions.

The Company's transactions with affiliated companies are analyzed below:

Related party transactions	Sales 2016	Sales 2015	Purchases 2016	Purchases 2015
GLOBAL SOFT SA	170.727	202.032	220.716	140.000
PROFILE SYSTEMS & SOFTWARE (CYPRUS) LTD	794.701	977.992	-	20.000
COMPUTER INTERNATIONAL FRANCHISE LTD	-	-	-	-
PROFILE SYSTEMS & SOFTWARE (SUISSE) SA	48.174	17.702	40.141	40.000
PROFILE SOFTWARE (UK) LTD	-	-	41.666	-
PROFILE DIGITAL SERVICES SA	3.150.882	1.257	-	-
Total	**4.164.484**	**1.198.983**	**302.523**	**200.000**

The balances of receivables and payables of the Company with affiliated companies at the end of the current year are analyzed as follows:

Related party balances	Receivables 31.12.2016	Receivables 31.12.2015	Payables 31.12.2016	Payables 31.12.2015
GLOBAL SOFT SA	24.857	74.026	37.200	-
PROFILE SYSTEMS & SOFTWARE (CYPRUS) LTD	224.918	367.061	-	-
COMPUTER INTERNATIONAL FRANCHISE LTD	169.418	164.815	-	-
PROFILE SYSTEMS & SOFTWARE (SUISSE) SA	23.298	17.702	22.461	-
PROFILE SOFTWARE (UK) LTD	-	-	40.000	-
PROFILE DIGITAL SERVICES SA	1.393.600	1.927	-	-
Total	**1.836.091**	**625.531**	**99.661**	**-**

Transactions with associated natural persons as defined by International Accounting Standard 24 for the year ended 2016 are as follows:

Year end 2016:	Group	Company
Remuneration of directors and members of the Management	520.628	520.628

In addition to the above, it is noted that:

• No loans or credit facilities in general have been granted to members of the Board of Directors or other Company executives and their families;

• The amounts mentioned in the above table refer to fees for the personal services-work they provide to the Company, fees for these performances and transactions of the members of the Company's Management and its directors during the said period;

• These transactions do not contain any extraordinary or personalized trait, which would make it necessary for the further and per associated person to analyze them;

• Except for the aforementioned fees, there are no other transactions between the Company and these directors and members of the Board of Directors;

• There is no transaction, the value of which exceeds 10% of the value of the Company's assets, as reflected in the latest published financial statements.

• There is no transaction that is assessed as significant as it is specified in the meaning of the Circular of the Capital Market Commission No. 45/2011.

• Profile Digital Services implemented the infrastructure project of the country's courts with a Public Private Partnership and received equipment, software and services worth € 3.15 million from Profile under a tripartite contract with the Ministry of Justice.

SECTION E

Detailed information according to article 4 par. 7 of Greek law 3556/2007, as in force today and related explanatory report

1. Structure of the share capital of the Company

The share capital of the Company amounts to € 5,551,730.71, following the last decision of the Extraordinary General Meeting of Shareholders on 30/12/2014 divided into 11,812,193 common registered shares of nominal value Euro 0.47 each.

It is noted that the relevant amendment of article 5 of the Articles of Association of the Company as a result of the decision taken by the Extraordinary General Meeting of the Shareholders of 30 December 2014 was approved by the decision of the Deputy Minister of Development and Competitiveness of the Hellenic Ministry of Development and Competitiveness No. 7470 / was lawfully registered in the General Commercial Register on 22/01/2015 with Registration Code (CIS) 295881.

Each share derives all rights and obligations defined by the law and the Articles of Association of the Company. Ownership of the share automatically implies the acceptance of the Company's Articles of Association and the decisions taken in accordance with the law and the Articles of Association by the various bodies of the Company. Each share provides the right to one (1) vote.

All the Company's shares are listed on the Athens Stock Exchange and traded on the Main Market of the Athens Stock Exchange. At the time of writing and approving this Report, the Company owns 49,155 own shares, representing approximately 0.42% of its share capital and the resulting voting rights.

2. Restrictions on the transfer of Company shares

There are no particular restrictions on the transfer of the Company's shares.

3. Significant direct or indirect holdings within the meaning of Law 3556/2007

The Company's significant holdings are as follows:

• "GLOBALSOFT SA OF DEVELOPMENT AND TRADING OF SOFTWARE AND COMPUTER SYSTEMS", with headquarters in NEA Smyrni, Attica, in which the Company participates with a participation of 97, 09%.

• "PROFILE SYSTEMS & SOFTWARE (CYPRUS) LTD", based in Cyprus, in which the Company participates with 100%.

• "COMPUTER INTERNATIONAL SA", located in Nea Smyrni Attica, in which the Company participates with a participation of 50.18%. It is noted that the Company has been dissolved and is in a liquidation procedure which has not yet been completed.

• "PROFILE SYSTEMS & SOFTWARE (SUISSE) S.A.", based in Switzerland, in which the Cypriot subsidiary participates with a participation percentage of 60%.

• "PROFILE SOFTWARE (UK) LTD", located in the United Kingdom, in which the Cypriot subsidiary participates with a 100% stake, and

• "PROFILE DIGITAL RECORDING, STORAGE AND DISTRIBUTION OF PRACTICAL MEETINGS OF COURTS", with headquarters in Nea Smyrni, Attica, in which the Company participates with 100% participation.

Furthermore, the significant direct or indirect holdings in the Company's share capital and voting rights within the meaning of Articles 9 to 11 of Greek Law 3556/2007 are the following:

Charalampos Stasinopoulos: 4.116.197 shares and voting rights (34.85%). Latover Holdings Limited: 1,771,830 shares and voting rights (15.00%).

4. Shares providing special control rights

There are no shares that provide special control rights.

5. Restrictions on the right to vote

There are no known restrictions on voting rights in the Company's shareholders.

6. Shareholders' Agreements

No agreements between shareholders have been brought to the knowledge of the Company which entail restrictions on the transfer of shares or restrictions on the exercise of voting rights.

7. Rules for the appointment and replacement of Board members and amendment of the Articles of Association

Regarding the appointment and replacement of members of the Company's Board of Directors as well as the amendment of the Articles of Association, there are no rules that differ from those provided by the Codified Greek Law. 2190/1920, as currently in force.

8. Competence of the Board of Directors for the issuance of new shares or the purchase of treasury shares

There is no special competence of the Board of Directors or certain members of the Board of Directors for the issue of new shares or the purchase of treasury shares according to article 16 of Codified Greek Law 2190/1920.

9. Significant agreements that enter into force, are amended or expire in the event of a change in the control of the Company following a public offer.

There is no significant agreement entered into by the Company that enters into force, is amended or terminates in the event of a change in the Company's control following a public offer.

10. Significant agreements with members of the Board of Directors or the Company's staff.

Between the Company and members of the Board of Directors or its staff, only one agreement exists (and in particular between the Company and the Chairman of the Board of Directors and its CEO), which provides for compensation in case of termination or dismissal without good reason or termination of office or employment due to any public offer.

Explanatory Report on Information, drafted in accordance with article 4 par. 8 of law 3556/2007

The numbering in this explanatory report (which is drafted in accordance with article 4 par. 8 of Greek Law 3556/2007) follows the relevant relative numbering of the information in article 4 par. 7 of Greek Law 3556/2007, as this information is listed below:

1. The structure and method of formation of the Company's share capital is set out in detail in Article 5 of the Articles of Association of the Company. The Company's shares were listed on the Athens Stock Exchange on October 29, 2003, and have been trading since then.
2. No such restriction exists either by law or by the Company's Articles of Association or by any other agreement.
3. The data on the number of shares and voting rights of the persons holding significant holdings have been drawn from the Company's share book and the notifications received by law in the Company.
4. There are no other classes of shares, not only ordinary shares with voting rights.
5. No such restrictions have been disclosed to the Company.

6. Similarly no such agreements have been disclosed to the Company.
7. On the specific issues the Company's Articles of Association do not differ from the estimates of the company. 2190/1920. It is explicitly stated that the Company's Articles of Association have been fully harmonized with the provisions of Law 3604/2007, pursuant to the decision of the Annual Ordinary General Meeting of Shareholders of 27 June 2008.
8. There is no such specific competence.
9. In the absence of such agreements, there is no need for any explanation.
10. In particular, based on article 9.2 of the agreement between the Company and the Chairman of the Board of Directors and the Chief Executive Officer of the contract, the other party to the contract is entitled, in the circumstances described above, to compensation for the calculation of the remuneration to which he would have been entitled until the expiry of the contract.

This Explanatory Report was drawn up in accordance with article 4 par. 8 of Greek Law 3556/2007.

SECTION F

Information on labor and environmental issues

The Group at 31.12.2016 employed 95 persons and the Company 74 persons respectively, compared to 90 and 69 persons employed on 31.12.2015.

It should be noted that the Company's relations with its staff are excellent and that there are no general labor problems, as one of the Company's main priorities is to preserve and strengthen the climate of labor peace.

Every day the Company takes care of taking all necessary measures and adopting practices in order to fully comply with the applicable provisions of the labor and insurance legislation. One of the key principles governing the Group's operations is the continuous training of staff and the enhancement of corporate consciousness at all levels of the Group's operations and operations.

The Group recognizes the need for continuous improvement of environmental performance based on the principles of sustainable development and in compliance with legislation and international standards aims at a balanced economic development in harmony with the natural environment. Following a course of sustainable development, it carries out its activities in a way that ensures both the protection of the environment and the hygiene and safety of the workers.

SECTION G

Estimated progress and development of the Group for the year 2017

In view of the strong export orientation of the Group, the prospects, results and course of both the Company and the Company for the current fiscal year 2017 are directly related to the situation in the global economy and the market (eg results of the presidential Elections in the United States, the impending exit of the United Kingdom from the European Union, the upcoming elections in France and Germany, etc.), without neglecting the unfavorable conditions prevailing on the domestic market. The economy, which is characterized by high volatility in the economic environment, difficulty in raising cash, taking into account the maintenance and restrictions imposed on capital movements and transactions, and credit crunch conditions, which are further exacerbated by the impossibility of achieving a definitive Agreement on the closure of the second evaluation.

However, in any case, Group Management, having strengthened its extrovertness, will concentrate its efforts on the market shares that are expected to emerge:

(A) by further strengthening its operations abroad, as it maintains and consolidates its presence with offices and subsidiaries, as well as with additional representation cooperatives outside Greece and Cyprus and in Switzerland, England, United Arab Emirates and Singapore,
(B) By the contribution of new and specialized staff,
(C) The development and presentation of new functions and innovative products on the domestic and international markets,
(D) Expenditure restraint, which is already being implemented through the reorganization of corporate functions and sub-directories, and
(E) Targeted targeting of new projects, in particular complex IT projects.

The flexibility of the internal structure and organization that has already been created by the Group allows it to adapt more quickly and efficiently to the new market conditions so as to effectively exploit substantial opportunities for growth if present. In addition, the investments of previous years to maintain the competitive advantage and to develop the Group's operations in sectors with high added value, are expected to have a beneficial effect on the profit margins, and on the Group's figures for the current fiscal year.

The Group and in particular the Management of the Company are expected to follow a developmental stance regarding the presentation of the new solutions developed and based on state-of-the-art technologies (FMS.next IMSplus, Axia). In particular, they are oriented towards the creation of innovative technologies and integrated quality solutions, aiming at improving and continuously expanding the range of products produced, emphasizing their competitiveness, combined with the continuous and systematic monitoring of trends and market needs, using modern production methods And development in line with international standards.

The Group systematically strengthens its presence and operations in foreign markets, aiming at the most comprehensive coverage and service of the banking and investment needs, with significant specialization. The Company also invests in the operations of its offices in other countries in an efficient way. In this context, the strengthening of the Group's activities in the Asian region as well as in the surrounding areas, the increase of the specialized personnel at the Dubai office for greater penetration in the wider region with local service and partnerships, the activation of the subsidiary in Switzerland , While the strategy generally pursued aims at consolidating the presence of the Company and the Group in these markets of high interest and dynamics and in the promotion of specialized products In new markets. It is particularly important that these efforts are recognized by international instruments with the award of business excellence awards for the development of new solutions, which prompts the Company to constantly watch for the development of new products, the improvement of the existing ones and the achievement of new beneficial collaborations, Aiming at enhancing the Company's financial value.

SECTION H
Other Information

1. Within the framework of the project "Digital Recording, Storage and Distribution of Proceedings of Court Meetings with Public Private Partnership", the subsidiary company "PROFILE DIGITAL RECORDING, STORAGE AND DISPOSAL OF PRACTICAL SESSIONS OF COURTS" and the distinctive title "PROFILE DIGITAL SERVICES SA ", financial needs amounting to 2.250.000,00 euros, which were fully covered by the parent company" PROFILE SA ".
2. Through constant market monitoring, the Company aims to develop new products and the evolution of existing ones, aiming at the fuller coverage of the ever-changing needs of the market and adapting to the requirements of the customers. Research and Development works are carried out by specialized

consultants of the Company in the individual Units with vertical and perfect knowledge and experience for each product or solution being developed as well as in cooperation with the Sales and Marketing Departments for the necessary market research and customer inquiries where required.
3. None of the companies participating in the consolidation, other than the Company, holds shares or shares of par. 1e of article 26 of Greek Law 4308/2014. The own shares held by the Company are reported in Section E hereof.
4. Regarding the expected development of the Company as well as of the companies included in the consolidation, a relevant analysis is given in Section G of this Report.
5. There are no other significant events that took place after the end of the year 2016 until the date of preparation of this Report and which are worth mentioning in this Report.

SECTION I
CORPORATE GOVERNANCE DECLARATION

(This Statement is prepared in accordance with article 43bb of CL 2190/1920 and forms part of the Annual Report of the Company's Board of Directors)

Introduction

The term "corporate governance" describes how companies are managed and controlled. Corporate governance is articulated and structured as a system of relations between the Company's Management, the Board of Directors, the shareholders and other interested parties, constitutes the structure through which the Company's objectives are approached and set, the means of achieving and evaluating these objectives , Identifies the main risks it faces in its operation and enables efficient and systematic monitoring of the performance of the Management during the implementation process of the above.

Effective and effective corporate governance plays an essential and primary role in promoting enterprise competitiveness and improving their operational infrastructure and developing innovative actions, and the increased transparency that it promotes results in improved transparency across the whole economic activity of private companies but also of public institutions and institutions for the benefit of all the shareholders of the companies but also of the partners with them.

In October 2013 the new Corporate Governance Code, which was drafted on the initiative of the Federation of Enterprises and Industries, was published and amended in the context of its first revision by the Greek Council for Corporate Governance.

1. Code of Corporate Governance
1.1 Notification of Voluntary Compliance of the Company with the Corporate Governance Code

In our country, the corporate governance framework has been developed mainly through the adoption of mandatory rules such as Greek Law 3016/2002, as currently in force, requiring the participation of non-executive and independent executive members in the Boards of Directors of Greek companies whose shares Are traded on an organized stock market, the establishment and operation of an internal control unit and the adoption of internal rules of operation. Subsequently, other later legislation incorporated into Greek law European Company Law Directives, creating new corporate governance rules, such as Greek Law 4449/2017, which requires the establishment of audit committees as well as important disclosure obligations regarding the ownership and governance of a Company and Greek Law 3884/2010 concerning shareholder rights and additional corporate disclosure obligations to shareholders during the preparation of a general meeting. Finally, Greek Law 3873/2010 incorporated into the Greek legal order the no. EU Directive 2006/46 / EC, thus operating as a reminder of the need to establish a Corporate Governance Code and at the same time forming the foundation stone.

The Company fully complies with the requirements and regulations of the above-mentioned legislative texts (in particular Codes 2190/1920, 3016/2002 and 4449/2017, which replaced Law 3693/2008). Are the minimum content of any Corporate Governance Code and constitute (such provisions) an informal Code of Conduct. Following the above, the Company also declares in the current year that it continues to adopt as the Corporate Governance Code the Code of Corporate Governance formulated by the Hellenic Council for Corporate Governance (available at http: //www.helex. Gr / el / esed), to which the Code also declares this Declaration to be subject to the following discrepancies and exceptions.

1.2 Deviations from the Corporate Governance Code and justification thereof. Specific provisions of the Code that the Company does not apply and an explanation of the reasons for non-application

The Company first confirms with this Statement that it faithfully applies and follows strictly all the provisions of the applicable Greek legislation regarding corporate governance (Codified Law 2190/1920, Law 3016/2002 and Law 4449/2017), which form the minimum content of any Corporate Governance Code addressed to companies whose shares are admitted to trading on a regulated market.

An important addition, however, to the new Code of Corporate Governance formed in the above and to which the Company belongs is the adoption of the standard of explanation of the Company's non-compliance with certain specific practices of the Code. This means that the new Code follows the "Compliance or Explanation" approach and requires the listed companies that choose to apply it to disclose that intention and either to comply with all the specific practices established by the Code or to explain the Reasons for not complying with specific practices.

In relation to these additional practices and principles introduced by the new JSB, there are currently some discrepancies (including the case of non-application), for which deviations follow a brief analysis and an explanation of the reasons justifying them.

1.3 Corporate governance practices applied by the Company in addition to the provisions of the law.

1.3.1 The Board of Directors and its members

Role and responsibilities of the Board of Directors

- Until today, the Board of Directors has not established a separate committee, which is in charge of the procedure for submitting applications for election to the Board of Directors. And prepares proposals to the Board of Directors. As regards the remuneration of executive members and senior executives.

This discrepancy is due to the fact that the Company's policy in relation to the remuneration of executive members of the Board of Directors. And the main senior executives are, as evidenced by the historical data, consistent and reasoned, adapted to the current economic conditions and to the financial capabilities of the Group, always with a view to serving the corporate interests. Ensures that it is faithfully and strictly observed in order to avoid the phenomenon of overpayment of fees that are not in line with the services provided on the one hand and the general economic situation prevailing in the country. The aforementioned fixed policy of the Company is also one of the axes that ensure its balanced development and the implementation of its investment programs with the greatest possible success.

Furthermore, the absence of a separate committee which is headed by the procedure for submitting candidacies for election to the Board of Directors. Is explained by the fact that the candidates for election to the Board of Directors Members of the Company, up to now, meet all the necessary conditions and provide all the guarantees for the granting of membership of the Board of Directors, distinguished for their high professional training, knowledge, qualifications and experience They stand out for the ethos and the integrity of their character and therefore no need for such a committee has arisen so far.

Size and composition of the Board of Directors

-The BoD does not consist of seven (7) to fifteen (15) members.
According to the Company's Articles of Association and in particular Article 19 (1) thereof, "the Company is managed by a Board of Directors consisting of five (5) to seven (7) consultants, natural or legal persons". This discrepancy is due to the fact that the size and overall organization of the Company at this time does not justify the existence of such a large Council, but they advocate the existence of a smaller and more flexible BoD, which can meet and it decides with speed and efficiency. Moreover, the flexible structures adopted by the Company in terms of composition of the Board of Directors allow for rapid decision making and effective monitoring of their implementation and implementation.

-The BoD it is not a majority of non-executive members.
The current Board of Directors of the Company currently consists of seven (7) members, of which four (4) are executive and the other three (3) non-executive, including two (2) independent non-executive members. The present composition of the existing Board of Directors has ensured, with practical and tangible results, during all the previous years the productive operation of the Company, the effective promotion of corporate goals and activities and the reconciliation of all views regarding the Company's Policies.

The service of the company's interests and needs of the Company and of the Group that it is headed can only be achieved through the presence of a sufficient number of executive members on the Board of Directors, given the Company's extroversion and the need for parallel close monitoring of corporate Activities in different geographical areas.

Besides, the presence of the two (2) independent non-executive members of the Board of Directors ensures the required objectivity and neutrality in the decisions taken, without psychological, professional, family or financial influences, by persons exercising the Company's Management and is a sufficient counterweight to the Proper and efficient operation of the Governing Board.

The abovementioned deviation from the provisions of the Corporate Governance Code cannot be considered to be subject to a time limit since the Company, based on its current structure and operation, does not intend to directly comply with the above requirement as it considers that the requirement (The constitution of the Board of Directors by a majority of non-executive members) does not meet its needs, its structure and its organizational function, and in any case the overall success of the Board of Directors, is in itself a reason to prevent any change or diversification.

-The policy of diversity including the gender balance for BoD members as adopted by the Board of Directors will be posted on the corporate website. The corporate governance statement should include a specific reference to: (a) the diversity policy applied by the Company as regards the composition of the Board of Directors and senior management; and (b) the proportion of each gender representation respectively.

The present Board of Directors of the Company consists of a majority of men, i.e. out of a total of seven (7) members of the Board of Directors. The six (6) are men and only one (1) is a woman. This discrepancy is justified by the failure to find, at this time, executives in the sector in which the Company operates and belonging to the female sex and to meet, in terms of skills, abilities, qualifications, availability and experience, at the level established in relation to the Members of the Board of Directors But also due to the increased requirements associated with this property, due to the special characteristics of the Company and the necessity (due to the increased extroversion acquired by the Company) of their frequent presence in different countries around the world. Among the priorities of the Company in the near future is the finding and addition of competent representatives of the female sex among the members of the Board but it is not possible to determine with absolute precision the time of compliance of the Company with the above established practice JHA, since this is a function of both the expression of relevant interest and the finding of persons fulfilling the above conditions. In any case, however, it is estimated that this deviation is cyclical and will be balanced in the future.

Role and required qualities of the Chairman of the Board of Directors

- There is no explicit distinction between the responsibilities of the Chairman and the Managing Director. This discrepancy is due to the fact that it is not considered appropriate to create this distinction in view of the organizational structure and operation of the Company. As the Company further enhances its extrovertness, gains a stronger international presence and greatly increases the volume of its activities, the need to establish an explicit distinction between the responsibilities of the President and the CEO is to be re-evaluated. In any case, the existence of an executive vice-chair essentially satisfies the above requirement as it creates a peer-to-peer management and representation of the Company, and in view of the expanding strengthening of the Company's extroversion, the above distinction is very likely to materialize over the next few years.

-The BoD does not appoint an independent Vice-President from its independent members.
This deviation is offset by the appointment of an executive vice-president, as the essential contribution of the Chairman of the Board of Directors is considered to be of prime importance. On behalf of the Vice-Presidents and the provision of every possible help to him in order to effectively perform his / her executive duties and responsibilities and contribute to the achievement of corporate goals. In any event, the fact that the Vice-President is not assigned to any of the independent members of the Board does not in any way deprive them of the ability to exercise their duties effectively and directly, nor does it exercise any influence on the operational independence of which they enjoy.

Duties and behavior of the members of the Board of Directors

The BoD Has not adopted as part of the Company's internal regulations policies to ensure that the Board of Directors Has sufficient information to base its decisions on related party transactions in accordance with the prudent business model. These policies should also be applied to the transactions of the Company's subsidiaries with related parties. The CED. Should include a specific reference to the policies implemented by the Company in relation to the above. Although there is no specific and specific policy in this direction, which forms the framework for obtaining sufficient information from the Board of Directors to base its decisions on related parties' transactions on the prudent business model, the Board of Directors in the management of corporate affairs and therefore also in transactions between the Company and its affiliated parties, pays the diligence of the prudent businessman so that the transactions in question are on the one hand, totally transparent and in accordance with market conditions and conditions, on the other hand, in full compatibility with the current regulatory framework as defined by the relevant provisions of both corporate and tax legislation. The same diligence is followed with respect to the transactions of the subsidiaries of the Company with the related parties.

If deemed necessary, the Company will proceed with the establishment of a working group to determine the applicable procedures for obtaining sufficient information from the Board of Directors to base its decisions on related party transactions on the model of the prudent businessman, At the moment, in view of the integrated structures of the Company's organization and operation, such a need does not exist.

- There is no obligation to disclose any professional commitments of the members of the Board of Directors. (Including significant non-executive commitments to companies and non-profit institutions) prior to their appointment to the Board of Directors. This deviation is explained by the fact that the members of the Board of Directors They are distinguished for their high level of education, professionalism and practical commitment to the Company and therefore despite the lack of a statutory obligation to provide detailed disclosure of any professional commitments of the members of the Board of Directors. Before they were elected, would proceed without delay to the relevant disclosure if they considered that there was any risk of conflict of interest or of a psychological, professional or economic nature.

Election of Candidate Members of the Board of Directors

- BoD members are not elected with a maximum term of four (4) years. According to article 19 par. 2 of the Company's Articles of Association, "the members of the Board of Directors are elected by secret ballot and by an absolute majority of the General Meeting of the Company's shareholders for five (5) years, with a term extended automatically until the first Ordinary General Meeting after their term of office, which can not in any case exceed the six years'. The discrepancy is due to the necessity Board election avoidance at shorter intervals, which means the charge the Company with costs for compliance with the publication formalities and continuous submission of legal documents before the partner bank, credit institutions and other legal entities or natural persons. Moreover, the provision for a maximum term of four years' term of office for the members of the Board of Directors carries the risk that the elected BoD will not be prevented. to complete his work and put in jeopardy the effective administration of the affairs and management of the assets due to the frequent switching administrations and any divergence of views that may exist concerning the promotion of the Company's interests and activities.

- There is no nomination committee for the BoD. This discrepancy is justified by the size, structure and operation of the Company at the present time, which do not necessitate the existence of a nomination committee. Moreover whenever a question election of a new Board of Directors, the Management Company takes care to ensure the existence and application fully transparent procedures, evaluate the size and composition of the Election Board, examines the skills, knowledge, opinions, Skills, experience, ethos and integrity of the candidate's membership, and therefore fully fulfills the work of the nomination committee if it existed.

Functioning of the Board of Directors

- There is no specific regulation of the Board of Directors. This discrepancy is explained by the fact that the provisions of the Articles of Incorporation of the Company, in combination with the provisions of Cod. 2190/1920 and the other regulatory framework are assessed as fully adequate for the organization and overall functioning of the Board of Directors. And ensure the full, correct and timely fulfillment of its tasks and an adequate examination of all issues on which it is called upon to take decisions.
- The BoD At the beginning of each calendar year does not adopt a calendar of meetings and a 12-month action plan, which may be revised according to the needs of the Company. This discrepancy is easily understood by the fact that all members of the Board of Directors Of the Company are residents of the prefecture of Attica and the headquarters of the Company are easily accessible and therefore it

is easy to convoke and the meeting of the Board whenever the Company's needs or the law require it without the need The existence of a predetermined action program.

- No provision for support of the Board of Directors In the performance of his work by a competent, qualified and experienced corporate secretary, who will be present at his meetings. This deviation is due to the existence of a perfect technological infrastructure for the accurate recording and recording of the meetings of the Board of Directors. Furthermore, all members of the Board of Directors have the possibility, if necessary, of recourse to the services of the legal advisors of the Company in order to ensure the compliance of the Board of Directors. With the current legal and regulatory framework. It is noted that according to the new JEP, the duties of a corporate secretary can be performed either by a senior officer or by a legal counsel while the work of the corporate secretary is to provide practical support to the President and the other members of the Board individually and collectively The ultimate aim and aim of the full compliance of the Board of Directors. With statutory and statutory requirements and provisions. The Company intends to examine in the near future the necessity to establish a position of corporate secretary with a view to the further effective operation of the Board of Directors. And to provide any necessary assistance to its members.

- There is no provision for introductory information programs for the new members of the Board of Directors. But also the continuing vocational training and training for the other members. This discrepancy is explained by the fact that elected members of the Board are proposed by persons with a good and proven experience, a high educational level and established organizational and administrative capacities. Besides, a basic principle governing both the Company and the Group is the continuous training and education of its personnel and executives and the enhancement of corporate consciousness at all levels by conducting regular training sessions according to the sector in The activity of the member and the duties with which he has been assigned, namely continuous training, governs as a principle the whole philosophy and function of the Company and is not limited to the members of the Board of Directors.

- There is no provision for providing sufficient resources to the BoD Committees. To perform their duties and to recruit outside consultants to the extent they are needed. This discrepancy is due to the fact that the Management of the Company examines and approves on a case-by-case basis the expenses for the possible recruitment of external consultants based on the company's needs, for the purpose of constant control and moderation of the Company's operating expenses.

Evaluation of the Board of Directors

-Evaluation of the efficiency of the Board And its committees does not take place at least every two (2) years and is not based on a specific procedure. The Board of Directors. Does not assess the performance of his / her President in a process in which the independent Vice-Chairman or another non-executive member is headed, in the absence of an independent Vice-President. At present, there is no institutionalized procedure for the evaluation of the effectiveness of the Board of Directors and its committees, nor is the performance of the Chairman of the Board evaluated. During a process under the chairmanship of the independent Vice-Chairman or another non-executive member, in the absence of an independent Vice-President.
This procedure is not considered necessary in view of the organizational structure of the Company, since there are no leeway between the members of the Board of Directors and whenever there is a need or weaknesses or malfunctions regarding the organization and operation of the Board of Directors, meetings and detailed discussions take place, Analyzing in detail the problems presented, criticisms of decisions taken and other actions or statements by the members of the Board of Directors, an exception. Moreover, the Board of Directors regularly monitors and revises the appropriate implementation of its decisions, on the basis of the timetables, while the efficiency and

overall performance of the Board of Directors itself is assessed on an annual basis by the Ordinary General Meeting of its shareholders According to the principles and procedure described in detail in the law. 2190/1920, as well as in the Articles of Association of the Company. The Company, in view of its compliance with this practice introduced by the new KED, is in the process of examining the feasibility of establishing a control and evaluation system of the Board of Directors, the completion of which cannot be determined with absolute timeliness.

1.3.2 Internal control

Internal Audit - Audit Committee

- -The Audit Committee does not meet at least four (4) times a year. This discrepancy is explained by the convocation and the meeting of the Audit Committee whenever material issues related to the financial reporting process and the reliability of the Company's financial statements arise. Besides, it is not necessary to hold unnecessary meetings in order to cover the number of meetings required by the KED, but to effectively monitor the effectiveness of the Company's internal control and risk management systems, to examine periodically this internal control system in order to Ensure that the main risks are properly identified and dealt with in a timely manner, conflicts of interest management in Affiliated parties and the acquisition of sufficient information regarding the financial performance of the Company.

- There is no special and specific regulation of the Audit Committee. This discrepancy is due to the fact that the main tasks, powers and powers of the Audit Committee are adequately described in the existing legislative provisions and therefore the Company does not consider it necessary at this moment to draw up a more specific regulation for the functioning of the Committee, That what is important is the strict observance and strict implementation of the existing regulatory framework and not the imposition of additional obligations which may not be respected.

- No funds are allocated to the Audit Committee for its use of external consultancy services. This discrepancy is justified by the current composition of the Audit Committee, the specialized knowledge and experience of its members, which ensure the proper and effective functioning of the Commission and the fulfillment of its tasks in full, with the result that it is not necessary to use external services Consultants. In any event, however, if it is advisable and appropriate to have external consultants, in order to further improve the structure and functioning of the Commission, it is self-evident that the Company will make available all the necessary funds.

1.3.3 Fees

Level and Structure of Remuneration

- There is no remuneration committee, consisting exclusively of non-executive members, most of them independent, whose purpose is to determine the remuneration of the executive and non-executive members of the Board of Directors. And therefore there are no arrangements for the duties of the Commission in question, the frequency of its meetings and other matters relating to its operation. This discrepancy is due to the fact that the establishment of the said Commission, in view of the structure and overall functioning of the Company, has not been assessed as necessary so far, because the Management of the Company, which manages the process of determining the remuneration and the submission of the relevant Ensure that this (remuneration process) is characterized by objectivity, transparency and professionalism, free from conflicts of interest. Regarding the determination of the remuneration of the members of the BoD, executive and non-executive, the Management of the Company acts in the direction of creating long-term corporate value, maintaining the necessary balances and promoting meritocracy, so that the company attracts executives The appropriate qualifications for the efficient operation of the Company.

Management ensures that the remuneration of the executive members of the Board of Directors (Eg basic salary), performance-related variables (eg bonuses) and other contractual arrangements (eg, bonus payments). Retirement allowance, additional benefits including benefits in kind, etc.) and the remuneration of non-executive members reflecting their actual employment and responsibilities and not directly related to the performance of the ETA Fetal order not to discourage disposal possible challenge choices and other decisions by the Administration.

The Board of Directors. When determining the remuneration of the members of the Board of Directors. And in particular the executive, takes into account their duties and responsibilities, their performance in relation to predetermined quantitative and qualitative objectives, the financial situation, the performance and the prospects of the Company, the level of remuneration for the provision of similar services to similar companies As well as the remuneration of employees in the Company and throughout the Group.

It is clear from the procedure described above for determining the remuneration of executive and non-executive members of the BoD, and the criteria taken into account to determine them, that there is no need to set up a special remuneration committee, as the duties and its responsibilities are effectively exercised by the Management of the Company.

- The contracts of executive members of the Board of Directors Do not foresee that the Board of Directors May require the reimbursement of all or part of the bonus awarded due to misconduct or inaccurate financial statements of previous years or generally based on incorrect financial data used to calculate this bonus. This discrepancy is explained by the fact that any bonus rights mature only after the audit and final approval of the annual financial statements of the financial statements and, to date, due to the proper organization and control procedures, the calculation phenomenon of the issuer Bonus based on inaccurate financial statements or incorrect financial data.

However, for the purpose of complying with the aforementioned requirement of the KED the Management of the Company is seriously considering the possibility of entering into the relevant contracts the executive members of the Board of Directors. Provision of the right of the Board of Directors to demand the refund of all or part of the bonus awarded due to misconduct or inaccurate financial statements and other financial information.

-The remuneration of each executive member of the Board of Directors is not approved by the Board of Directors. On a proposal from the Remuneration Committee, without the presence of its executive members. This discrepancy is due to the fact that there is no Remuneration Committee according to the above mentioned.

1.3.4 Relations with shareholders

Contact with shareholders

-The Company has not adopted a specific practice regarding its communication with shareholders, which includes the Company's policy regarding the submission of questions by the shareholders to the Board of Directors. At this time, there is no institutionalized special procedure for shareholders to submit questions to the Board of Directors, since any of the shareholders may contact the Shareholder Service by submitting requests and queries which, if deemed necessary, Shall be forwarded together to the Management Board for further processing and the relevant reply or update shall be sent without delay to the person concerned.
The direct communication of the shareholders with the Board of Directors Would create difficulties in the smooth operation of the Board as it would burden its members with a considerable amount of work inefficiently and at the same time such communication would be assessed negatively also in the

light of the principle of equivalent information to the shareholders of the Company. In addition, the institutionally operating and operating Service serves this purpose, and is responsible for the flow of information to the shareholders.

Moreover, the provisions of article 39 of the Codified Law 2190/1920 describe in detail the procedure for the participation of minority shareholders in the General Meetings of Shareholders, a procedure which is strictly observed in every Ordinary or Extraordinary General Meeting, in order to ensure the proper, valid and timely information of the shareholders regarding With the course of corporate affairs.

However, despite the existence of the aforementioned safeguards, the Company considers the possibility of adopting a specific policy regarding the upgrading of the shareholder's questioning process to the Company through the Shareholder Service, but still considers that direct communication of any Shareholder with the members of the BoD is neither necessary nor appropriate as such communication would disproportionately burden the members of the BoD. On the performance of their main tasks.

The General Meeting of Shareholders

- No substantial discrepancy was observed.

1.4 General note regarding the timing of removal of the Company's non-compliance with the specific practices adopted by the new KED

As stated in the Introduction of this Corporate Governance Statement, as in force since October 2013, follows the "Compliance or Explanation" approach and requires listed companies that choose to apply it to disclose that intention and either comply with all the specific practices of the Code, or explain the reasons for not complying with specific practices.

Furthermore, the relative explanation of the reasons for non-compliance with specific practices is not limited simply to a mere reference to the general principle or specific practice with which the Company does not comply but must, inter alia, indicate whether the deviation from the provisions of the Code is limited in time and when the Company intends to comply with the provisions of this Code.

The Company's deviations from the practices established cannot be considered to be subject to a strict time limit as these practices do not correspond to the nature, function, structure, organizational structure, delivery, corporate principles and the Company's property and needs, and possibly their compliance, make it more difficult to apply the substance of the principles of the Code, as is the case, as the possible attachment to the press with such deviations) will not be beneficial to the Company.

In any case, any Code cannot, nor is it intended to, substitute the framework of the principles, values and structures of organization and operation of any Company and consequently does not mean adopting provisions that are incompatible with those principles. However, if the circumstances make this imperative, the Company will proceed to the preparation and formulation of its own Code of Corporate Governance, the identity and arrangements of which will primarily address the individual needs and particularities of the Company and will enhance the competitiveness and long success of the Company.

1.5 Corporate governance practices applied by the Company in addition to the provisions of the law

The Company faithfully applies the provisions of the text of the above legislative framework on corporate governance. At present, there are no practices in place of these provisions.

2. Board of Directors

2.1 Composition and manner of operation of the Board of Directors

The Board of Directors is the Company's top management body, which is solely responsible for defining the Company's strategy and development policy. The pursuit of enhancing the long-term financial value of the Company, safeguarding the general corporate interest and interests of the shareholders, ensuring compliance of the Company with the applicable legislation, enhancing transparency and corporate values in all the Group's operations and activities , The monitoring and resolution of any cases of conflict of interest between the members of the Board of Directors, directors and shareholders with the interests of the Company are essential tasks of the Board of Directors.

The Company's Board of Directors, in accordance with article 19 of this Statute, consists of five (5) to seven (7) members, natural or legal persons, elected by the General Meeting of Shareholders by secret ballot and by an absolute majority of Votes, represented in the Assembly. The members of the Board of Directors are unrestrictedly re-elected and freely revoked by the General Meeting regardless of the end of their term of office.

The term of office of the members of the Board of Directors is five (5) years and is automatically extended to the first Ordinary General Meeting after their term of office, which can not in any case exceed six years.

The General Meeting may also elect alternate members whose number is determined by the relevant decision of the General Assembly elected by them and may not exceed the maximum number of elected members of the Board of Directors. The alternate members may only be used for replenishment in accordance with article 22 of this article, member or members of the Board of Directors who resigned or died or lost their status in any other way.

On taking up their duties, the members of the Board of Directors receive official briefing and during their term of office, the President ensures the continuous expansion of their knowledge on matters concerning the Company, their familiarity with it and its executives, so that they can contribute effectively and creatively to the work of the Board of Directors.

The Board of Directors meets whenever the law, these Articles of Association or the Company's requirements require it at the invitation of its Chairman or alternate or two (2) of its members either at the Company's headquarters or in the region of another Municipality Within the prefecture of that place. The agenda must clearly indicate the items on the agenda, otherwise decision making is only allowed if all the members of the Board of Directors are present or represented, and no one opposes decision making.

It is also convened at any time by its Chairman or at the request of two of its members, according to the provisions of article 20 par. 2190/1920, as in force. The Board of Directors validly meets outside its headquarters in another place, either in the country or abroad, if all its members are present or represented at this meeting and none of them opposes the holding of the meeting and the decision making.

The Board of Directors may meet by teleconference. In this case the invitation to the members of the Board of Directors includes the necessary information for their participation in the conference call. The meetings of the Board of Directors are chaired by its Chairman or his / her legal substitute.

The Board of Directors is in quorum and meets validly when present or represented in this half (1/2) plus one of the advisors, but never the number of present counselors may be less than three (3). The decisions of the Board of Directors are taken by an absolute majority of the counselors who are present and those represented, except in the case of paragraph 3 of article 7 of the Articles of Association. A missing counselor may be represented by another counselor. Each counselor can represent only one missing counselor.
The minutes and the decisions of the Board of Directors are kept in minutes. Copies and extracts from the minutes of the Board of Directors are validated by the Chairman or his / her alternate in case of impediment or by the General Manager of the Company. The drawing up and signing of minutes by all members of the Board of Directors or their representatives is equivalent to a decision of the Board of Directors, even if there is no precedent.

It is forbidden for the members of the Board of Directors as well as the Directors of the Company to act without the permission of the General Meeting and for their own account or for the account of third parties, except for the Companies that are already involved, acts that fall under one of the purposes pursued by the Company, or to participate as general partners in Companies pursuing such purposes. In case of violation of the above provision, the Company is entitled to compensation according to article 23 par. 2 and 3 of Cod. 2190/1920.

The Board of Directors may entrust the exercise of all or some of its powers and responsibilities (other than those requiring collective action) as well as the internal control of the Company and its representation to one or more non-members, or The law also does not prohibit members of the Board of Directors, while defining the extent of this assignment. Such persons may, by providing for such a provision in the decisions of the Board of Directors, to further delegate the exercise of the powers entrusted to them or part thereof to third parties. However, the responsibilities of the Board of Directors are without prejudice to Articles 10 and 23a of Code 2190/1920, as applicable.

If, for any reason, a vacancy for a Director is resigned due to resignation, death or loss of membership in any other way, the remaining Directors, if at least three, are to be elected as interim replacements for the remainder of the Advisory Board's term of office. Provided that such replacement is not feasible by the alternate members elected by the General Assembly. The decision of the election is made public by article 7b of code 2190/1920 and is announced by the Board of Directors at the next general meeting, which may replace the elected, even if no relevant item has been placed on the agenda.

In case of resignation, death or any other loss of membership or members of the Board of Directors, the remaining members may continue to manage and represent the Company and without replacing the missing members according to the previous paragraph, provided that the number of such members exceeds half of the members, as they had before the above events occurred. In any case these members may not be less than three (3). In any case, the remaining members of the Board of Directors, irrespective of their number, may convene a general meeting for the sole purpose of electing a new Board of Directors. The acts of the councilors elected in this way are considered valid, even if their election is not approved by the General Assembly.

2.2 Information on the members of the Board of Directors

The current Board of Directors of the Company is seven members and consists of the following members:
1) Charalampos Stasinopoulos, Panayiotis, Chairman and Chief Executive Officer, Executive Member.
2) Spyridon Barbatos of Antonios-Ioannis, Vice-Chairman, Executive Member.

3) Konstantinos Mantzavinatos of Georgios, Executive Member.
4) Aikaterini Philippi of Nicholas, Executive Member.
5) Aristides Iliopoulos of Spyridon, Non-Executive Member.
6) Antonios Roussos of Antonios, Independent Non-Executive Member.
7) Emmanuel Tsiritakis of Dimitriou, Independent Non-Executive Member.

The above Board of Directors was elected by the Annual General Meeting of Shareholders of the Company held on 23 June 2015 and has a five-year term of office until 30 June 2020. On 02-07-2015 it was registered in the General Commercial Register with a Registration Code (BIC) 380965, the Board of Directors' report dated 23-06-2015, according to which the Board of Directors elected by the above Ordinary General Assembly was constituted in a body and granted rights of engagement and Representation of the Company.

2.3 Audit Committee

The Company, in full compliance with the provisions and the requirements of Law 3693/2008 (now replaced by Law 4449/2017), elected at the Annual Ordinary General Meeting of Shareholders that took place on 23 June 2015 Audit Committee Committee) consisting of the following non-executive members of the Company's Board of Directors:
1) Mr. Antonios Roussos, independent non-executive member,
Mr. Emmanuel Tsiritaki, independent non - executive member and
3) Mr. Aristides Iliopoulos, non-executive member.
It is noted that of the above members, the two (2) first are also independent non-executive members of the Board of Directors.
The responsibilities of the Audit Committee are:
(A) Monitoring the financial reporting process,
B) To monitor the effective functioning of the internal control system and the risk management system, as well as to monitor the proper functioning of the unit of internal auditors of the Company,
C) Monitoring the course of the statutory audit of the Company's separate and consolidated financial statements,
(D) Reviewing and monitoring issues relevant to the existence and preservation of the objectivity and independence of the statutory auditor or audit firm, in particular regarding the provision of other services by the statutory auditor or audit firm to the Company.

The Audit Committee's mission is to ensure the efficiency and effectiveness of corporate operations, to verify the credibility of the financial information provided to the investing public and shareholders, to comply with the applicable legal and regulatory framework, to safeguard investments And the Company's assets and identifying and addressing the most significant risks.

The Audit Committee's wide controlling jurisdictions include, inter alia, monitoring the sound and efficient operation of the internal control and risk management system, auditing the financial statements prior to their approval by the Board of Directors, monitoring the financial reporting process, to ensure the coordination of audit work, quality, independence and performance of auditors.

The Audit Committee during the financial year 2016 (01.01.2016-31.12.2016) met twice.
It is clarified that the Company's statutory auditor who performs the audit of the annual and interim financial statements does not provide any other non-audit services to the Company nor is it related to any other relationship with the Company in order to ensure objectivity , Its impartiality and independence, with the sole exception of the assurance services related to the special tax audit required under the provisions of Article 65a of Greek Law 4174/2013, As a result of which control is issued the "Annual Tax Certificate", with the relevant Report.

3. General Meeting of Shareholders

3.1 The General Assembly's functioning and basic powers

The General Meeting of the Company's shareholders is its supreme body and is entitled to decide on any matter concerning the Company and to rule on all matters submitted to it. The General Assembly is the only competent person to decide on:

A) Extension of the duration, merger, division, conversion, revival or dissolution of the Company,
B) Amendment of the Articles of Incorporation,
(C) An increase or decrease in the share capital, except in the case of paragraph 2 of Article 5 of the Articles of Incorporation,
D) Election of members of the Board of Directors, except for the cases of article 22 of the Articles of Association,
E) Election of Auditors,
(F) The appointment of liquidators,
(G) Disposing of annual net profits,
(H) Approval of the annual financial statements; and
I) Discharge of the members of the Board of Directors and the auditors from the management responsibility by a special vote held by roll call vote after the approval of the annual financial statements.

The lawful decisions of the General Meeting are also mandatory for shareholders who are absent or disagree.

The General Meeting of Shareholders is always convened by the Board of Directors and meets regularly at the headquarters of the Company or in the region of another Municipality within the Prefecture, at least once in each corporate year and always within the first half of each fiscal year. The General Meeting may also meet in the district of the Municipality where the seat of the Athens Stock Exchange is located. The Board of Directors may convene an Extraordinary Meeting at the General Meeting of Shareholders when it deems it appropriate or if so requested by shareholders representing the statutory and the present Articles of Association, in accordance with the provisions of Article 8 of the Articles of Incorporation.

The General Meeting, with the exception of the repeat assemblies and those assimilated to them, must be convened at least twenty (20) days before the date fixed for its meeting. It is clarified that also non-working days are included. The date of publication of the invitation of the General Assembly and the day of its meeting are not counted.

In the invitation of the shareholders to the General Meeting, the date, the day, the time and the place where the meeting will be convened, the issues on the agenda must be clearly stated, the shareholders entitled to participate, as well as precise instructions for the How shareholders will be able to participate in the assembly and exercise their rights in person or through a proxy or, possibly, remotely.

The General Meeting is in quorum and validly meets on the items on the agenda when at least one fifth (1/5) of the paid-up share capital is represented. If such a quorum does not occur at the first meeting, a recurring assembly shall meet within twenty (20) days of the date of the session canceled at least ten (10) days prior to the meeting. This repeat assembly is in quorum and validly meets on the issues of the original agenda, whatever the share of the paid-up share capital represented in it.

The decisions of the General Assembly are taken by an absolute majority of the votes represented in the Assembly. Exceptionally, the General Meeting is in quorum and validly meets on the items on the agenda if two-thirds (2/3) of the paid-up share capital is represented in the case of decisions concerning:

(A) A change in the nationality of the Company,
B) Change of the object of the Company's business,
(C) An increase in the liabilities of the shareholders,
D) Increase of the share capital with the exception of the increases of article 6 par. 1 of the Articles of Incorporation or statutory provisions, or the capitalization of reserves or reduction of the share capital, unless it is made in accordance with paragraph 6 of article 16 of Codified Law 2190/1920. 2190/1920,
E) issuance of a loan with convertible bonds or with a right to profit, in accordance with articles 8 and 9 of Law 3156/2002 respectively,
(F) Change in the way profits are allocated,
G) Extension of the duration or dissolution of the Company,
H) Merging, splitting, transformation, revival of the Company,
I) provision or renewal of power to the Board of Directors to increase share capital in accordance with paragraph 1 of article 6 of the Articles of Incorporation,
J) Any other case in which the law stipulates that the adoption of a decision by the General Assembly requires the quorum of this paragraph.

If the quorum of the preceding paragraph does not occur at the first meeting within twenty (20) days of such meeting and at least ten (10) days' call, subject to paragraph 4 of this Article, a first repeat assembly shall be held, Which is in quorum and validly meets on the issues of the original agenda when at least one (1/2) of the paid-up share capital is represented. If this quorum does not take place again, it shall meet again within twenty days of a second repeat assembly, at least ten (10) complete days in quorum and validly meet on the issues of the original agenda when it is represented At least one-fifth (1/5) of the share capital paid.

A newer invitation is not required if the original invitation specifies the place and time of legally scheduled meetings in the event of failure to reach a quorum. All decisions referred to in paragraph 1 of this Article shall be taken by a majority of two thirds (2/3) of the votes represented in the Assembly. The General Meeting is chaired provisionally by the Chairman of the Board of Directors or, when he is prevented, by his deputy. A Secretary-General shall be provisionally appointed by the President. Once the list of shareholders entitled to vote has been approved, the Assembly proceeds to the election of its President and a Secretary, who also carries out debtor duties.

The deliberations and decisions of the General Assembly are limited to the items on the agenda. The issues discussed and decided at the General Meeting are kept and signed and signed by the President and its Secretary. If a (1) single shareholder is present at the meeting, the presence of a notary who subscribes to the minutes of the Assembly is obligatory.

The copies and extracts of the minutes of the General Meeting are ratified by its Chairman and in case of impediment or refusal by the Chairman of the Board of Directors or by his deputy or by the General Manager of the Company.

3.2 Rights of shareholders and how they are exercised

Participation and voting rights

Shareholders exercise their rights in relation to the Management of the Company only in the General Meetings and in accordance with the provisions of the law and the Articles of Association. Each share entitles one vote to the General Meeting, subject to the provisions of article 16 of Cod. 2190/1920, as currently in force.

The General Meeting is entitled to participate as shareholder in the records of the Dematerialized Securities System managed by "Hellenic Exchanges SA" (HELEX), in which the Company's securities (shares) are held. Demonstration of the shareholding is done by presenting a relevant written certificate of the above mentioned entity or, alternatively, by direct online connection of the Company with the records of the said entity. Shareholder status must be at the record date, i.e. at the beginning of the fifth (5th) day prior to the date of the General Meeting, and the relevant certificate or e-certification regarding the shareholding must be Shall be received by the Company no later than the third (3rd) day before the General Meeting.

The Company is deemed to be entitled to participate and vote in the General Meeting only those who have the status of shareholder at the respective recording date. In case of non-compliance with the provisions of article 28a of Codified Law 2190/1920, 2190/1920, the shareholder participates in the General Meeting only after its permission.

It should be noted that the exercise of such rights (participation and voting) does not require the holder to be free of shares or to comply with any other similar procedure which restricts the possibility of selling and transferring them during the period between the date of registration and the date Of the General Assembly.

The shareholder participates in the General Meeting and votes either in person or through representatives. Each shareholder may appoint up to three (3) dealers. Legal persons participate in the General Meeting appointing as their representatives up to three (3) natural persons. However, if the shareholder owns shares of the Company that appear in more than one securities account, this limitation does not prevent that shareholder from designating different dealers for the shares appearing in each securities account in relation to the General Meeting. A representative acting for more than one shareholder may vote differently for each shareholder. The shareholder's shareholder is required to disclose to the Company, prior to the start of the General Meeting, any specific event that may be useful to shareholders to assess the risk that the agent may serve interests other than the interests of the represented shareholder.

For the purposes of this paragraph, a conflict of interest may arise, in particular where the agent:
A) Is a shareholder exercising control over the Company or is another legal entity or entity controlled by that shareholder,
B) is a member of the Board of Directors or the general management of the Company or a shareholder exercising control over the Company or any other legal person or entity controlled by a shareholder exercising control over the Company,
C) is an employee or a statutory auditor of the Company or a shareholder exercising control over the Company or any other legal person or entity controlled by a shareholder exercising control over the Company,
(D) Is a spouse or relative of first degree with one of the natural persons referred to in (a) to (c) above.

The appointment and revocation of a shareholder's representative is made in writing and notified to the Company in the same form at least three (3) days before the date of the General Meeting.

3.2.2 Other Shareholders' Rights

Ten (10) days prior to the Ordinary General Meeting, each shareholder may receive from the Company copies of its annual financial statements and the reports of the Board of Directors and the auditors. These documents must be filed promptly by the Board of Directors at the Company's office.

At the request of shareholders, representing one twentieth (1/20) of the paid up share capital, the Board of Directors is obliged to convene an Extraordinary General Meeting of Shareholders, appointing a meeting date, which shall not be longer than forty five (45) From the date of the application to the Chairman of the Board of Directors. The request contains the subject of the agenda. If no General Meeting is convened by the Board of Directors within twenty (20) days from the service of the relevant application, the convocation shall be conducted by the applicant shareholders at the expense of the Company, by decision of the one-member court of first instance of the Company's registered office. Interim measures. This decision defines the place and time of the meeting, as well as the agenda.

At the request of shareholders, representing one twentieth (1/20) of the paid-up share capital, the Board of Directors is obliged to add additional issues to the agenda of the General Meeting already convened, if the relevant request is received by the Board of Directors fifteen) At least days prior to the general meeting. The additional issues must be published or disclosed under the responsibility of the Board of Directors in accordance with article 26 of Codified Law 2190/1920. 2190/1920, at least seven (7) days prior to the General Meeting. If these issues are not published, the requesting shareholders are entitled to request the postponement of the General Meeting in accordance with paragraph 3 of article 39 of Codified Law 2190/1920. 2190/1920 and to make the publication themselves, as per the previous paragraph, at the expense of the Company.

By request of shareholders representing one twentieth (1/20) of the paid up share capital, the Board of Directors makes available to shareholders
As defined in article 27 par. 2190/1920, at least six (6) days prior to the date of the General Meeting, draft decisions on matters included in the original or revised agenda if the relevant application is received by the Board of Directors at least seven (7) days before the date of the General Meeting. Date of the General Assembly.

At the request of any shareholder submitted to the Company at least five full days before the General Meeting, the Board of Directors is obliged to provide the General Meeting with the required specific information on the Company's affairs, insofar as they are useful for the actual An assessment of the items on the agenda.

In the event of a request by a shareholder or shareholders representing one twentieth (1/20) of the paid-up share capital, the President of the Assembly shall be obliged to postpone the decision-making for all or certain matters by the Extraordinary or Ordinary General Meeting, The day of resumption of the meeting for receiving them, the one specified in the shareholder's request, which may not be more than thirty (30) days from the date of the postponement. The postponement of the General Meeting is a continuation of the previous one and no repetition of the publication formalities of the shareholders' invitation is required, and new shareholders cannot participate in it, in compliance with the provisions of articles 27 par. 2 and 28 of Cod. 2190/1920.

In case of a request of shareholders representing one twentieth (1/20) of the paid up share capital, which must be submitted to the Company five (5) full days prior to the regular General Meeting, the Board of Directors is obliged to announce to the General Meeting The amounts that have been paid in the past two years for any reason by the Company to members of the Board of Directors or to its

Directors or other employees, as well as any other contract of the Company drawn up for any reason With the same persons. Also, at the request of any shareholder submitted above, the Board of Directors is obliged to provide the specific information requested regarding the Company's affairs insofar as they are useful for the actual assessment of the items on the agenda. The Board of Directors may refuse to give the requested information for good reason, stating the reasons in the minutes. Such a reason may be, in the circumstances, the representation of the requesting shareholders in the Board of Directors, according to par. 3 or 6 of article 18 of Codified Law 2190/1920. 2190/1920.

In case of a request of shareholders representing one fifth (1/5) of the paid up share capital submitted to the Company within the time limit of the previous paragraph, the Board of Directors is obliged to provide the General Meeting with information on the course of corporate affairs And the Company's assets. The Board of Directors may refuse to give the information requested for substantive reasons by stating the relevant reasoning in the minutes. Such a reason may be, in the circumstances, the representation of the requesting shareholders in the Board of Directors, according to par. 3 or 6 of article 18 of Codified Law 2190/1920. 2190/1920, provided that the respective members of the Board of Directors have received the relevant information in an adequate manner.

In the case of a request of shareholders representing one twentieth (1/20) of the paid up share capital, the decision on any issue on the agenda of the General Meeting is made by roll call.

Shareholders of the Company, representing one twentieth (1/20) of the paid-up share capital, have the right to request control of the Company from the One-Member Court of First Instance of the region in which the Company is located, which is the subject of proceedings in the voluntary procedure. Control is ordered if acts that violate provisions of the laws or the Articles of Association or the decisions of the General Assembly are suspected.

Shareholders of the Company, representing one fifth (1/5) of the paid-up share capital, have the right to request a review of the Company from the competent court in the previous paragraph, if it is believed from the whole course of corporate affairs that the management Of corporate affairs is not exercised as required by sound and prudent management. This provision shall not apply as often as the minority requesting the audit is represented in the Company's Board of Directors.

4. Internal control and risk management system

4.1 Main features of the internal control system

The internal audit of the Company is carried out by the Internal Audit Service and is carried out in accordance with the control program contained in the Internal Rules of Operation adopted and approved by the Company. It is noted that the audit on which it is based and the relevant Report is carried out within the regulatory framework of Law 3016/2002, as currently in force, and in particular in accordance with Articles 7 and 8 of that Law, as well as on the basis of the In the Decision 5/204/2000 of the Board of Directors, of the Capital Market Commission, as in force after its amendment by the Decision of the Board of Directors. Of the Hellenic Capital Market Commission under number 3/348 / 19.07.2005

The main concern of the Company's Management is to ensure through the implementation of appropriate internal control systems that the entire organization of the Group has the ability to rapidly and efficiently address the risks in their generation and in any case to take appropriate and appropriate measures for Mitigating the consequences and their adverse effects.

During the audit, the Internal Audit Service receives all the necessary books, documents, records, bank accounts and portfolios of the Company and requests the full and continuous cooperation of the

Administration in order to provide all the requested information and data for the purpose of acquiring Part of the reasonable assurance that a Report will be prepared that will be free of material inaccuracies regarding the information and conclusions contained therein. The audit does not include any assessment of the appropriateness of the accounting policies that have been applied and the reasonableness of the estimates made by the Management as these are subject to audit by the Company's statutory auditor.

The purpose of the audit is to assess the overall level and the operating procedures of the internal control system. In each controlled period certain control areas are selected, while on a permanent and permanent basis are examined and examined the operation and organization of the Company's Board of Directors and the operation of the two basic Services operating according to the provisions of Law 3016 / 2002, i.e. the Shareholder Service and the Corporate Announcements Service.

It should be noted, however, that internal control and risk management systems provide reasonable and not absolute security because they are designed to limit the likelihood of the risks involved, but they cannot completely exclude them.

4.2 Risk management of the Company in relation to the financial statements preparation process.

The Group has invested substantial amounts of money in the development, upgrading and maintenance of advanced IT infrastructures that ensure accurate and accurate depiction of financial figures and data through a range of IT procedures, safeguards and security levels and at the same time everyday their back-up storage.

The policies and procedures that have been established are evaluated at regular intervals and redefined if it is found that they are not sufficient or are enforced by existing legislation.

At the same time, the analysis and processing of the results takes place on a daily basis, covering all the important fields of the business activity. Contradictions are made between actual, historical and budgeted income and expense accounts with a sufficient detailed explanation of all significant deviations.

Through all the above procedures and security mechanisms, any risk associated with the preparation of the financial statements (corporate and consolidated) of the Company is minimized.

5. Other management or supervisory bodies or committees of the Company.

At present, there is no other management or supervisory bodies or committees of the Company.

6. Additional information

«1. Member States shall ensure that the companies referred to in Article 1 (1) publish detailed information on:
(A) a structure of their capital, including securities which are not admitted to trading on a regulated market in a Member State and, where appropriate, an indication of the different classes of shares with the rights and obligations attached to each class of shares and the percentage of the total share capital that represent,
(B) Any restrictions on the transfer of securities, such as restrictions on the holding of securities or the obligation to obtain authorization from the company or other holders of securities, without prejudice to Article 46 of Directive 2001/34 / EC,
(C) significant direct or indirect holdings (including indirect participations through pyramid structures or mutual participation) within the meaning of Article 85 of Directive 2001/34/EC, (D) holders of all types of securities offering special control rights and a description of those rights,

(E) The control mechanism provided for in a worker participation scheme, where the control rights are not exercised directly by the employees,
(F) any restrictions on the right to vote, such as restrictions on the voting rights of holders of a given percentage or number of votes, the time limits for the exercise of Voting rights or systems in which, with the cooperation of the company, the financial rights deriving from securities are separated from the possession of the securities,
(G) Agreements between shareholders which are known to the company and may entail restrictions on the transfer of securities and / or voting rights within the meaning of Directive 2001/34 / EC,
(H) The rules concerning the appointment and replacement of members of the Council and the amendment of the statutes,
(I) the powers of the members of the Board, in particular as regards the possibility of issuing or repurchasing shares,
(IA) any agreement entered into by the company with the members of its board or its staff, which provides for compensation in the event of resignation or dismissal for no valid reason or if their employment is terminated as a result of the takeover bid.

Concerning the items c, d, f, h and i of paragraph 1 of article 10,

The Company declares the following:

With regard to point c: the significant direct or indirect participations of the Company are analyzed in Section D - Significant transactions with related parties.
With respect to point d: there are no securities of any kind (including shares) that provide special control rights.
With regard to point f: there are no known restrictions on voting rights (such as restrictions on the voting rights of holders of a given percentage or number of votes, voting time limits or systems in which, with the cooperation of the Company, the financial rights deriving From securities are separated from the possession of securities).
Regarding the exercise of the voting rights during the General Meeting, an extensive reference is made in Module 3 of this Corporate Governance Statement.
Regarding the appointment and replacement of the members of the Company's Board of Directors as well as the amendments to the Company's Articles of Association, there are no rules that differ from the provisions of the Codified Law 2190/1920. 2190/1920, as currently in force. These rules are described in detail in Section 2.1 of this Corporate Governance Statement.
With respect to point i: there are no special powers of the members of the Board of Directors regarding the issue or repurchase of shares.

This Corporate Governance Statement is an integral and specific part of the Annual Report (Management) of the Company's Board of Directors.

Nea Smyrni, 7 April 2017
The Board of Directors of the Company

The Chairman of the Board of Directors
Charalampos Stasinopoulos

CERTIFICATION FROM THE CERTIFIED PUBLIC ACCOUNTANTS

It is hereby certified that the aforementioned report of the Board of Directors is the same with the one mentioned in the audit report which we have provided on the 7th of April, 2017.

Athens, 10 April 2017
The Certified Public Accountant

Kostas I. Roussos
SOEL Reg.No. 16801
SOL SA
Collaborating Chartered Accountants,
part of the Crowe Horwath International
3 Fokionos Negri, 11257 Athens

CHAPTER 4
CONSOLIDATED AND PARENT STATEMENT OF FINANCIAL POSITION (amounts in EUR)

	NOTES	GROUP		COMPANY	
ASSETS		**31.12.2016**	**31.12.2015**	**31.12.2016**	**31.12.2015**
Non-current assets					
Tangible assets	10	6.508.943	4.920.399	4.776.463	4.906.539
Goodwill	11	764.809	764.809	-	-
Intangible assets	12	5.883.093	4.223.803	2.130.711	3.538.300
Investments in subsidiaries	13	-	-	3.431.834	3.431.834
Other non-current assets		7.264	3.730	6.510	3.730
Deferred tax assets	8	820.112	510.871	512.119	339.343
Total non-current assets		**13.984.221**	**10.423.612**	**10.857.637**	**12.219.746**
Current assets					
Inventories	14	308.317	328.475	277.565	297.723
Trade receivables	15	6.398.550	7.171.772	4.136.338	5.676.002
Other receivables	16	2.858.664	1.515.787	1.720.968	1.393.338
Advances from clients	16	62.934	51.169	13.047	9.772
Short term investments	17	7.181.161	3.889.120	6.973.205	3.333.963
Cash and cash equivalents	18	6.227.778	6.510.661	3.037.553	2.266.953
Total current assets		**23.037.404**	**19.466.984**	**16.158.676**	**12.977.751**
TOTAL ASSETS		**37.021.625**	**29.890.596**	**27.016.313**	**25.197.497**
LIABILITIES					
Equity					
Share capital	19	5.551.731	5.551.731	5.551.731	5.551.731
Share premium	19	2.925.510	2.925.510	2.925.510	2.925.510
Treasury shares	20	(32.629)	(32.629)	(31.532)	(31.532)
Reserves	21	5.632.051	5.632.051	5.560.668	5.560.668
Retained earnings		3.275.808	2.721.799	838.175	1.032.308
Equity attributable to owners		**17.352.471**	**16.798.462**	**14.844.552**	**15.038.685**
Minority interests		(77.741)	(109.964)	-	-
Total shareholder's equity		**17.274.730**	**16.688.498**	**14.844.552**	**15.038.685**
Non-current liabilities					
Long term bank loans	22	2.493.750	1.968.750	2.493.750	1.968.750
Other non-current liabilities		-	-	3.500	3.500
Provision for employees' indemnities	23	355.611	303.711	306.819	264.187
Subsidiaries	24	4.728.254	275.579	280.701	136.233
Other Provisions		41.000	41.000	35.000	35.000
Total non-current liabilities		**7.618.615**	**2.589.040**	**3.119.770**	**2.407.670**
Current liabilities					
Trade creditors & other liabilities	25	8.349.000	7.481.181	5.426.677	4.769.571
Short term bank loans	22	3.618.109	3.036.237	3.481.691	2.899.818
Deferred tax liabilites		161.171	95.640	143.623	81.753
Total current liabilities		**12.128.280**	**10.613.058**	**9.051.991**	**7.751.142**
Total equity and liabilities		**37.021.625**	**29.890.596**	**27.016.313**	**25.197.497**

The notes following are an integral part of these Consolidated Financial Statements

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME (amounts in EUR)

	Notes	Group	
		01.01.-31.12.2016	**01.01.-31.12.2015**
Revenue Sales	6	9.292.681	9.408.611
Cost of sales	7	(5.157.405)	(5.337.456)
Gross profit		**4.135.276**	**4.071.155**
Other operating income		846.397	630.835
Total		**4.981.673**	**4.701.990**
Selling and marketing expenses	7	(2.169.903)	(1.875.826)
General and administrative expenses	7	(1.095.393)	(1.137.218)
Research and development expenses	7	(688.109)	(681.495)
Other expenses		(262.432)	(30.705)
Operating profit		**765.836**	**976.746**
Financial income / (expenses)		(220.344)	2.261
Earnings before taxes		**545.492**	**979.007**
Income tax	8	48.094	(85.386)
Earnings from continuing operations (A)		**593.586**	**893.621**
Minority interests		(32.251)	25.432
Profit attributable to Group, net of taxes		**561.335**	**919.053**
Other Comprehensive income			
Items not reclassified to profit or loss in the future			
Foreign currency translation expenses from subsidiary consolidation		(6.333)	20.640
Recalculation of employees indemnities provision		(1.438)	70.951
Related tax		417	(20.576)
Other comprehensive income, net of taxes (B)		**(7.354)**	**71.015**
Total comprehensive income (A+B)		**586.232**	**964.636**
Owners of the Company		554.009	986.451
Minority interests		32.223	(21.815)
Earnings per share	9	**0,0477**	**0,0781**

The notes following are an integral part of these Consolidated Financial Statements

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME (amounts in EUR)

	Notes	COMPANY 01.01.-31.12.2016	COMPANY 01.01.-31.12.2015
Sales		9.038.394	6.566.321
Cost of sales	7	(6.750.673)	(4.297.745)
Gross profit		**2.287.721**	**2.268.576**
Other operating income		574.136	607.535
Total		**2.861.857**	**2.876.111**
Selling and marketing expenses	7	(1.360.212)	(1.386.479)
General and administrative expenses	7	(997.861)	(963.188)
Research and development expenses	7	(569.983)	(573.908)
Other expenses		(8.090)	(30.666)
Operating profit		**(74.289)**	**(78.130)**
Finance income /(expenses)		(113.929)	(52.867)
Earnings before taxes		**(188.218)**	**(130.997)**
Income tax	8	(8.335)	(74.376)
Earnings from continuing operations (A)		**(196.553)**	**(205.373)**
Minority interests		-	-
Profit attributable to Company, net of taxes		**(196.553)**	**(205.373)**
Other Comprehensive income			
Items not reclassified to profit or loss in the future			
Foreign currency translation expenses from subsidiary consolidation		-	-
Recalculation of employees indemnities provision		3.408	57.480
Related tax		(988)	(16.669)
Other comprehensive income, net of taxes (B)		**2.420**	**40.811**
Total comprehensive income (A+B)		**(194.133)**	**(164.562)**
Owners of the Company		(194.133)	(164.562)
Minority interests		-	-
Earnings per share	9	**(0,0167)**	**(0,0175)**

The notes following are an integral part of these Consolidated Financial Statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (amounts in EUR)

GROUP	Share capital	Share premium	Treasury shares	Regular reserve (5%)	Other reserves	Greek legislation reserves	Retained earnings	Non controlling interests	Total equity
Balance as at 1 January 2015	**5.551.731**	**2.925.510**	**(32.629)**	**631.236**	**1.551.572**	**2.952.113**	**2.233.764**	**(89.435)**	**15.723.862**
Profit/ (loss)	-	-	-	-	-	-	919.053	(25.432)	893.621
Other comprehensive income, net of taxes	-	-	-	-	-	-	67.398	3.617	71.015
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**986.451**	**(21.815)**	**964.636**
Dividend	-	-	-	24.184	473.964	(1.018)	(497.130)	-	-
Change in interest of subsidiary ownership	-	-	-	-	-	-	(1.286)	1.286	-
Balance as at 31 December 2015	**5.551.731**	**2.925.510**	**(32.629)**	**655.420**	**2.025.536**	**2.951.095**	**2.721.799**	**(109.964)**	**16.688.498**
Profit / (loss)	-	-	-	-	-	-	561.335	32.251	593.586
Other comprehensive income, net of taxes	-	-	-	-	-	-	(7.326)	(28)	(7.354)
Total Comprehensive income after tax	**-**	**-**	**-**	**-**	**-**	**-**	**554.009**	**32.223**	**586.232**
Dividend	-	-	-	-	-	-	-	-	-
Change in interest of subsidiary ownership	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2016	**5.551.731**	**2.925.510**	**(32.629)**	**655.420**	**2.025.536**	**2.951.095**	**3.275.808**	**(77.741)**	**17.274.730**

The notes following are an integral part of these Consolidated Financial Statements

STATEMENT OF CHANGES IN EQUITY (amounts in EUR)

COMPANY	Share capital	Share premium	Treasury shares	Regular reserves (5%)	Other reserves	Greek legislation reserves	Retained earnings	Total equity
Balance as at 1 January 2015	**5.551.731**	**2.925.510**	**(31.532)**	**617.487**	**1.494.801**	**2.952.113**	**1.693.137**	**15.203.247**
Profit / (loss)	-	-	-	-	-	-	(205.373)	(205.373)
Other comprehensive income, net of taxes	-	-	-	-	-	-	40.811	40.811
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**(164.562)**	**(164.562)**
Dividend	-	-	-	22.303	473.964	-	(496.267)	-
Balance as at 31 December 2015	**5.551.731**	**2.925.510**	**(31.532)**	**639.790**	**1.968.765**	**2.952.113**	**1.032.308**	**15.038.685**
Profit / (loss)	-	-	-	-	-	-	(196.553)	(196.553)
Other comprehensive income, net of taxes	-	-	-	-	-	-	2.420	2.420
Total comprehensive income after tax	-	-	-	-	-	-	**(194.133)**	**(194.133)**
Dividend	-	-	-	-	-	-	-	-
Balance as at 31 December 2016	**5.551.731**	**2.925.510**	**(31.532)**	**639.790**	**1.968.765**	**2.952.113**	**838.175**	**14.844.552**

The notes following are an integral part of these Consolidated Financial Statements

CONSOLIDATED AND PARENT STATEMENT OF CASH FLOWS (amounts in EUR)

	GROUP		COMPANY	
	01.01.-31.12.2016	01.01.-31.12.2015	01.01.-31.12.2016	01.01.-31.12.2015
Cash flows from operating activities				
Earnings before taxes	**545.492**	**979.007**	**(188.218)**	**(130.997)**
Adjustments for:				
Depreciation and Amortization	2.051.261	1.864.675	1.600.858	1.586.145
Provisions	329.095	424.578	324.672	416.998
Non cash (income) / expenses	(311.257)	(599.792)	(99.525)	(524.234)
Investing activities (gains) / losses	(158.102)	(23.271)	(112.185)	(20.761)
Foreign exchange (gains) / losses	11.413	(118.142)	(37.422)	(47.762)
Financial expenses	270.376	212.000	265.491	196.120
add/minus adjustments for changes in working capital				
Decrease / (increase) of Inventories	20.158	19.420	20.158	19.420
Decrease / (increase) of Receivables	413.654	913.638	958.086	703.291
(Decrease) / increase of liabilities (except bank loans)	(1.503.533)	(157.933)	662.648	(1.034.529)
Less:				
Paid Employees indemnities	(18.633)	-	(18.633)	-
Paid Financial expenses	(361.600)	(307.385)	(337.883)	(267.083)
Paid Taxes	(192.542)	(245.034)	(119.105)	(125.835)
Total cash inflows / (outflows) from Operating activities (a)	**1.095.782**	**2.961.761**	**2.918.942**	**770.773**
Investment activities				
Short term Investments in securities, mutual funds	(6.655.646)	(2.772.922)	(7.914.521)	(3.577.047)
Purchase of Tangible & Intangible fixed assets	(5.299.095)	(1.126.298)	(63.194)	(927.321)
Financial income	37.522	39.157	33.383	28.951
Dividends income	65.406	64.073	52.109	51.255
Inflows from sale of securities	3.521.708	1.562.860	4.387.466	1.042.605
Total cash inflows / (outflows) from Investing activities (b)	**(8.330.105)**	**(2.233.130)**	**(3.504.757)**	**(3.381.557)**
Financial activities				
Trasury stocks	-	-	-	-
New bank loans	1.800.000	2.000.000	1.800.000	2.000.000
Bank loans repayments	(725.000)	(301.471)	(725.000)	(301.471)
Subsidies	5.893.918	179.976	243.993	104.809
Total cash inflows / (outflows) from Financial activities (c)	**6.968.918**	**1.878.505**	**1.318.993**	**1.803.338**
Net increase / (decrease) in Cash & equivalents for the period (a) + (b) + (c)	**(265.405)**	**2.607.136**	**733.178**	**(807.446)**
Cash & equivalents at the beginning of the period	**6.510.661**	**3.764.625**	**2.266.953**	**3.026.637**
Foreign exchange gains / (losses) on cash & equivalents	(17.478)	138.900	37.422	47.762
Cash & equivalents at the end of the period	**6.227.778**	**6.510.661**	**3.037.553**	**2.266.953**

The notes following are an integral part of these Consolidated Financial Statements

CHAPTER 5
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. General information about the Company and the Group

The Company, PROFILE SYSTEMS & SOFTWARE SA. with the distinctive name PROFILE SYSTEMS & SOFTWARE (hereafter referred to as the ‘’Company’’ or the ‘’Parent’’) and its subsidiaries, hereafter referred to as the ‘’Group’’) are active in the manufacturing and marketing of software and PCs, providing data transmission services through selected and other communication networks and generally in the fields described in the Article 3 of the Business Statute of the Company. The Company’s registered office is located in 199, Syngrou Avenue, Nea Smyrni and has 74 employees, while the Group has 95 employees in total.

The Company’s shares are traded on the Athens Stock Exchange. The annual financial statements of the Company and the Group for the year ended 31 December, 2016, have been approved by the Board of Directors on 7 April, 2017.

2. Basis of accounting

2.1 Basis of preparation of the annual financial statements

The annual financial statements of the Company and the Group cover the period ended 01/01/2016-31/12/2016. They have been prepared on a historical cost basis, with the exception of financial assets measured at fair value through changes in profit or loss, the going concern principle and the accrual principle. These annual financial statements are in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and their interpretations issued by the IFRIC of the IASB which have been adopted by the European Union.

There are no Standards that have been applied before their implementation date. The preparation of the financial statements requires the use of analytical accounting estimates and judgments for the application of the accounting principles. Accounting issues for which estimates and assumptions have been made are listed below.

The accounting policies followed by the Company for the preparation of the annual financial statements as of 31.12.2016 are the same as those described in the published annual financial statements as at 31.12.2015, taking into account the amendments of the standards, the new standards and new interpretations issued by the International Accounting Standards Board (IASB) which have been adopted by the European Union and their implementation is mandatory from 1.1.2016.

2.2 Group structure and basis of consolidation

The consolidated financial statements consist of the financial statements of the Parent and its subsidiaries. The following table shows the subsidiaries included in the consolidation together with the relative Group participation rates as well as the activity of each subsidiary.

Name of Company	Headquarter Country	Activity	% Group Participation	Relationship	Type of Consolidation
GLOBAL SOFT SA	Greece	IT Company	97,09%	Direct	Full
COMPUTER INTERNATIONAL FRANCHISE LTD	Greece	Computer Seminars	50,18%	Direct	Full
PROFILE SYSTEMS & SOFTWARE (CYPRUS) LTD	Cyprus	IT Company	100,00%	Direct	Full
PROFILE SYSTEMS & SOFTWARE (SUISSE) SA *	Switzerland	IT Company	60,00%	Indirect	Full
PROFILE SOFTWARE (UK) LTD**	United Kingdom	IT Company	100,00%	Indirect	Full
PROFILE DIGITAL SA	Greece	IT Company	100,00%	Direct	Full

* Participation in PROFILE SYSTEMS & SOFTWARE (SUISSE) SA amounts to 60% through the participation of the subsidiary PROFILE SYSTEMS & SOFTWARE (CYPRUS) LTD.
** Participation in PROFILE SOFTWARE (UK) LTD is 100% through the participation of subsidiary PROFILE SYSTEMS & SOFTWARE (CYPRUS) LTD. **It is hereby stated that the subsidiary PROFILE SOFTWARE (UK) LTD – 9931929 is exempt from audit under section 479A of the Companies Act 2006.**

2.3 Subsidiaries

The subsidiaries are enterprises that are controlled by the Parent. The existence of any potential voting rights that are exercisable at the time of preparation of the financial statements is taken into account in order to establish whether the parent exercises control over the subsidiaries. Subsidiaries are fully consolidated (full consolidation) from the date on which the control is acquired and cease to be consolidated from the date when such control does not exist.

The accounting method used for consolidation is the acquisition method. The cost of acquiring a subsidiary is the fair value of the assets given, the equity instruments issued and the liabilities assumed at the date of the exchange, plus any costs directly attributable to the transaction. Personalized assets, liabilities and contingent liabilities that constitute a business combination are measured at the acquisition at their fair values irrespective of the percentage of participation. The excess of the fair value of the individual items acquired, cost, is recognized as goodwill. If the total cost of the acquisition is less than the fair value of the individual assets acquired, the difference is recognized directly in the income statement.

Intercompany transactions - Intercompany balances and unrealized gains on transactions between Group companies are written off. Unrealized losses are written off if there is no indication of impairment of the transferred asset. The accounting policies of subsidiaries have been amended to be consistent with those adopted by the Group.

2.4 Foreign Currency

a) Functional currency and presentation currency

The functional and presentation currency of the Group from 1 January 2002 is Euro ("EUR"), as a result, all consolidated and non consolidated financial statements are presented in EUR, the functional currency of the Parent Company.

b) Foreign currency transactions

Transactions in foreign currencies are translated into Euro based on the exchange rates prevailing at the dates of the transactions. Claims and liabilities denominated in a foreign currency at the date of preparation of the financial statements are adjusted to reflect the exchange rates at the date of preparation. Gains and losses arising from such transactions (and from the translation of assets and liabilities denominated in a foreign currency) are recognized in the income statement except when they are included in equity as recognized cash flow hedges.

c) Subsidiaries of the Group

The translation of the financial statements of the Group companies that have a different functional currency from the Parent company is as follows:

• Assets and liabilities are translated at the exchange rates effective at the balance sheet date.
• Equity funds are converted using the exchange rates that existed at the date they were created.
• Revenues and expenses are translated at the average exchange rates of the reporting period.

Foreign currency difference, are recognized in the equity reserve and transferred to the profit and loss statement together with sale transactions. Goodwill and fair value adjustments arising from the acquisition of foreign operations are translated using the effective exchange rates as at the balance sheet date.

2.5 Use of Estimates and Judgements:

The Group and the Company make estimates, assumptions and valuation judgments in order to choose the most appropriate accounting principles in relation to the future development of events and transactions. These estimates, assumptions and judgments are reviewed periodically to reflect current circumstances and reflect current risks and are based on management's past experience of the level / volume of related transactions or events. The key estimates and judgments referring to data and the evolution of those which could affect the items included in the financial statements for the next 12 months are as follows:

Accounting Judgements:

(a) Internally produced intangible assets: Development costs associated with internally generated intangible assets are capitalized in accordance with the Company's accounting policies. The initial capitalization of costs is based on management's judgment that future economic benefits will flow to the Company from the use of internally generated intangible assets.

(b) Provisions for income tax and unaudited fiscal years: : Given the uncertainties surrounding certain tax arrangements and the time at which future income taxes may be required, the final income tax expense may deviate from the relevant amounts provided for In the financial statements. The Company makes provisions based on reasonable estimates for the likely consequences of audtits by the tax authorities. Estimates are based on a number of factors, such as past experience of tax audits. As a result of the above, the Group has formed a provision for unaudited tax years of € 41.000 (31 December 2015: € 41.000).

(c) Deferred tax receivable: Deferred tax receivables are recognized for all unused tax losses to the extent that it is probable that there will be sufficient tax profit to offset against those tax losses. In determining the amount of deferred tax asset that may be recognized, significant judgment and estimates of the Company's Management is required, which is based on future tax profits in conjunction with the future tax strategies to be followed. The Group has recognized deferred tax assets from tax losses of € 31,078 (31 December 2015: € 43,685). The Group estimates that both this amount and the total of deferred tax assets in general will be recovered in the future through the expected tax profits for subsequent periods.

Accounting Assumptions and Estimates:

(a) Provision for doubtful receivables: The Group periodically reassesses the adequacy of the provision for doubtful receivables in relation to its credit policy and taking into account the legal advisor's data that arise from the processing of historical data and recent developments in the affairs it manages. As at 31 December 2016 the total provision for doubtful trade receivables amounts to €4,361,425 (Note 15). The Group's Management estimates that, in addition to the amount stated in the financial statements, no additional provision is required for overdue receivables.

3. Significant accounting policies

The accounting principles described below have been consistently applied to all periods presented in these Financial Statements:

i. Tangible fixed assets

Tangible assets are valued at cost less depreciation. Acquisition cost includes all directly attributable costs for the acquisition of assets. Costs may also include gains or losses from the hedging of exchange rate risk at the time those items were purchased and recorded in equity reserve.

Repair and maintenance are recorded as expense of the period incurred. Significant subsequent additions and improvements are capitalized to the cost of the related assets as they increase the useful life or the production capacity of the asset or reduce its operating cost. Sites are not depreciated. Depreciation of other tangible assets is calculated using the straight-line method over their useful lives, which is as follows:

- Buidlings 36 Years
- Cars 5-10 Years
- Equipment 4-5 Years

The residual values and useful lives of tangible assets are reviewed in each annual balance sheet. When the carrying values of tangible assets exceed their recoverable amount, differences (impairment) are recognized as expense in the profit or loss statement. Upon the withdrawal or disposal of an asset, the related cost and accumulated depreciation are written off from the corresponding accounts at the time the withdrawal or sale take place and the related gains or losses are recognized in the profit or loss statement. When the withdrawn or soled tangible fixed assets are revalued at fair value, any revaluation reserve included in equity at the time of withdrawal or sale is transferred to retained earnings.

ii. Intangible assets

Goodwill

Goodwill represents the difference between the cost of acquisition and the fair value of the Group's share of the net assets of the subsidiary at the acquisition date. Goodwill on the acquisition of subsidiaries is included in intangible assets. At the end of each period, the Group carries out an analysis of the assessment of the recoverability of the carrying amount of goodwill. If the carrying amount exceeds the recoverable amount, a provision for devaluation is immediately formed. The gain or loss on the sale of a company includes the book value of the goodwill associated with the company sold.

Software (cost of developing new programs): The software programs concern the cost of purchasing or self-production, software such as payroll, materials, services, and any expense incurred in developing software in order to put it into operation. Costs that enhance or extend the performance of software programs beyond their original specifications are recognized as capital expenditure and added to the original cost of the software. The cost of acquiring and developing software recognized as intangible assets is depreciated using the straight-line method over its useful life (5-6 years).

Expenses incurred for the development of software controlled by the Group are recognized as intangible assets when the following conditions apply:

- The technical ability to complete the intangible asset in order for it to become ready for use or sale;
- The intention of the enterprise to complete the intangible asset in order to use it or sell it;
- Its ability to sell or use it;
- That the intangible asset will generate future economic benefits;
- The adequacy of technical financing and other resources to complete the development and;
- Its ability to reliably measure the expense attributed to the intangible asset during the period of growth.

iii. Impairment of assets

Tangible and intangible assets and other non-current assets are reviewed for possible impairment loss whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, its corresponding impairment loss is recognized in the profit or loss statement. The recoverable amount of an asset is the largest amount between the estimated net selling price and the value in use.

Net selling price is considered as the possible income from the sale of an asset in an arm's length transaction in which the parties have full knowledge and adhere voluntarily after deducting any additional direct disposal costs of the asset, while value in use is the present value of estimated future cash flows expected to be realized by the continuing use of an asset and its disposal at the end of its estimated useful life.

If a company is unable to estimate the recoverable amount of an asset for which there is an indication of impairment, it determines the recoverable amount of the cash-generating unit to which the asset belongs.

Reversal of an impairment loss on the value of assets recognized in prior years is made only when there is sufficient evidence that the impairment no longer exists or has decreased. In such cases the above reversal is recognized as income. Management estimates that there is no impairment of the

Company's tangible assets and therefore has not carried out any calculation of the recoverable amounts of its assets.

iv. Inventories

Inventories are valued at the lower value of acquisition cost and net realizable value. Cost is determined using the weighted average cost method. Borrowing costs are not included in the acquisition cost of inventories. Net realizable value is estimated on the basis of the current sales prices of inventories in the ordinary course of business less any selling expenses where applicable.

v. Receivables from customers

Receivables from customers are initially recognized at their fair value and subsequently measured at unamortized cost using the effective interest rate, net of impairment losses. Impairment losses (losses from doubtful receivables) are recognized when there is objective evidence that the Group is not in a position to collect all amounts owed under the contractual terms. The amount of the impairment loss is the difference between the carrying amount of the receivables and the present value of the estimated future cash flows discounted at the effective interest rate. The amount of the impairment loss is recognized as an expense in the income statement.

vi. Cash and cash equivalents

Cash and cash equivalents include cash, short and long term deposits and short-term investments of high liquidity and low risk.

vii. Loans

Loans are initially recognized at their fair value less any direct costs for the transaction. Subsequently, they are measured at unamortized cost using the effective interest rate. The Group's management considers that the interest rates paid on the borrowings are equal to the current fair market interest rates and therefore the conditions for any adjustment of the value in which these liabilities are reflected are not met. Any difference between the benefit (excluding acquisition costs) and the redemption value is recognized in the income statement over the loan period.

viii. Leases

The Company as lessee

Leases of fixed assets where the Company substantially maintains all risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the beginning of the lease at the lowest price between the fair value of the asset or the present value of the minimum lease payment. Each lease is apportioned between the liability and the finance charges in order to achieve a fixed interest rate on the residual financial liability.

The corresponding lease liabilities, net of finance charges, are shown in liabilities. The portion of the financial expense relating to finance leases is recognized in the income statement over the period of the lease. The depreciation method of leased depreciable assets is consistent with the method used for the same depreciable assets belonging to the entity and the recognized depreciation should be calculated in accordance with IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets .

Leases where substantially the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made for operating leases (net of any incentives offered by the lessor) are recognized in the period's income statement using the straight-line method over the period of the lease.

The Company as lessor

Assets leased under operating leases are included in Investment in Property. Operating lease income is recognized in the period's income statement using the straight-line method over the period of the lease.

ix. Income tax (current and deferred):

Current and deferred income tax is calculated on the basis of the relevant financial statements of each of the companies included in the consolidation in accordance with the tax laws in force in Greece and in the other countries in which the foreign subsidiaries are resident. The current income tax relates to a tax on the taxable profits of the Groups' companies, as reformed according to the requirements of the tax law and was calculated on the basis of the applicable tax rate.

Deferred taxation is calculated using the liability method in all temporary tax differences at the balance sheet date between the tax base and the carrying amount of assets and liabilities. The expected tax effects from the temporary tax differences are determined and presented either as future (deferred) tax liabilities or as deferred tax assets. Deferred tax assets are recognized for all deductible temporary differences and tax losses transferred to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is unlikely that there will be sufficient taxable profits against which, part or all of the deferred tax assets may be used. Current tax receivables and payables for the current and prior fiscal years are valued at the amount expected to be paid to (or recovered) by the tax authorities, using tax rates (and tax laws) that have been enacted or substantially enacted, up to the Balance Sheet date.

x. Employee benefits

According to the provisions of Law 2112/1920, the Group pays compensation to its retired or dismissed employees and the amount of the compensation depends on the years of service, the amount of remuneration and the way of removal (dismissal or retirement). In the case of retirement, the amount of the compensation to be paid is equal to 40% of the relevant amount to be paid in the event of dismissal.

Employee benefit plans for retirement benefits fall under defined benefit plans in accordance with IAS 19 Employee Benefits.

The liability recognized in the Balance Sheet in relation to defined benefit plans is the current value of the defined benefit obligation at the balance sheet date less the fair value of the assets of the program. The defined benefit obligation is calculated annually by independent actuaries based on the Credit Unit Method. The present value of defined benefit obligations is determined by discounting the expected future cash outflows. The weighted average discount rate is estimated by taking the interest rate curve of the European Central Bank's bonds at the valuation date, depicted in the currency in which the benefits will be paid and maturing in accordance with the terms of the relevant retirement obligation.

Actuarial gains and losses arising from adjustments and changes in actuarial assumptions are recognized as a whole in the statement of other comprehensive income and through these in the balance of the retained earnings.

xi. Provisions for risks and expenses

Provisions are recognized when the Group has a present, legal or proven obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimation of the amount can be made.

The Group recognizes a provision for contractual losses when the expected benefits to be derived from the contract are less than the unavoidable cost of the obligations under the contract.

Restructuring provisions include lease termination clauses and employee benefits expense, and are recognized in the period in which the Group is legally bound or presumed to implement the relevant restructuring plan.

Provisions are reviewed at the end of each period and adjusted to reflect the best possible estimates and, if deemed necessary, are discounted using a pre-tax discount rate. Contingent liabilities are not recognized in the financial statements but are disclosed unless the probability of an outflow of resources embodying economic benefits is minimal. Potential receivables are not recognized in the financial statements but are disclosed when the inflow of economic benefits is probable.

xii. Government grants

State grants related to the subsidy of property, plant and equipment are recognized when there is reasonable assurance that the grant will be received and all relevant terms will be met. When government grants relate to an asset, the fair value is credited to a deferred income account and transferred to the income statement in equal annual installments based on the expected useful life of the asset being subsidized. When the grant relates to an expense, it is recognized as revenue over the period required to match the grant on a systematic basis to the expenditure it is intended to compensate.

xiii. Revenue recognition

Revenue includes the fair value of sales of goods and services, net of tax deductions and rebates. Intra-group revenue within the Group is written off. Revenue recognition is as follows:

Sale of goods

Sales of goods are recognized when the Group delivers the goods to the customers, the goods are accepted by them and the collection of the receivable is reasonably secured.

Services

Revenue from provision of services is accounted for by the stage of completion of the service in relation to its estimated total cost.

Interest income

Interest income is recognized on a time proportion basis using the effective interest rate. When there is a write-down of receivables, their carrying amount is reduced to their recoverable amount, which is the present value of the expected future cash flows discounted at the original effective interest rate. Interest is subsequently accounted for at the same interest rate on the impaired (new book value).

Dividends

Dividends are recognized as income when the right to receive them is established.

xiv. Borrowing Costs

Borrowing costs are recognized as expense in the period in which they are incurred.

xv.Dividend distribution

The distribution of dividends to the parent's shareholders is recognized as a liability in the financial statements when the distribution is approved by the Shareholders' Regular General Meeting.

xvi. Measurement of fair value

The Group measures financial instruments at fair value through profit or loss at fair value at each balance sheet date. The fair value of an asset is the value considered to be received for the sale of an asset or paid for the settlement of a liability in a normal transaction and in the open market at the valuation date. Fair value measurement is based on the assumption that the transaction of the sale of the asset or the transfer of the liability occurs either:

In the primary market for the asset or liability, or;
In the absence of a main market, in the most advantageous market for the asset or liability.

The main or most advantageous market should be accessible to the Group. The fair value of an asset or liability is measured on the basis of all assumptions that market participants use in the valuation of an asset or liability, provided that the market participants act on their financial interest.

Measuring the fair value of a non-financial asset takes into account the ability of market participants to generate economic benefits from the use of the asset in its highest and best use or sale to another market participant that will use the asset for Higher and better use. The Group uses valuation techniques that are appropriate to the circumstances and for which sufficient data are available to measure fair value by maximizing the use of relevant observable inputs and minimizing the use of non-observable inputs.

Measuring the fair value of a non-financial asset takes into account the ability of market participants to generate economic benefits from the use of the asset in its highest and best use or sale to another market participant that will use the asset for higher and better use. The Group uses valuation techniques that are appropriate to the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of non-observable inputs.

All assets and liabilities for which the fair value was measured or disclosed in the financial statements are classified within the fair value hierarchy as follows:
Level 1 - Observed / Listed (unadjusted) market prices in active markets for similar assets or liabilities.

Level 2 - Valuation techniques for which inputs that are relevant to fair value measurement, except for official stock prices included in Level 1, are directly or indirectly observable.
Level 3 - Valuation techniques for which inputs that are relevant to measuring fair value are not observable.

For the assets and liabilities recognized in the financial statements, the Group determines on a regular basis whether transfers have occurred between the levels of the hierarchy at the end of each reporting period.

For the purpose of fair value disclosures, the Group determines the categories of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

xvi. Segment reporting

A business segment is defined as a group of assets and functions which provide products and services that are subject to different risks and returns than those of other business segments. A geographic segment is defined as a geographical area, where products and services are provided and which is subject to different risks and returns from other areas.

4. New Standards, Interpretations and Modification of Existing Standards

a) New Standards, Interpretations, revisions and amendments to existing Standards issued by the International Accounting Standards Board (IASB), their implementation is mandatory from 01/01/2016 or later and have been adopted by the European Union.

The following New Standards, Amendments and Interpretations of IFRSs that have entered into force were adopted by the Group on 1 January 2016 and do not cause material changes in the Group's and Company's financial statements.

IAS 19 Revised (Amendment) "Employee Benefits"

The limited-purpose amendment applies to employee or third-party contributions to defined benefit plans and simplifies the accounting of contributions when they are independent of the number of years of work provided, for example, employee contributions calculated on the basis of a fixed wage rate.

IFRS 11 (Amendment) "Joint Arrangements"

This amendment requires an investor to apply the redemption method when acquiring a joint venture which is a 'company'.

IAS 16 and IAS 38 (Amendments) "Clarification of Allowable Depreciation Methods"

This amendment clarifies that the use of revenue-based methods is not appropriate for the calculation of the depreciation of an asset and also specifies that revenue is not considered an appropriate basis for measuring the use of the economic benefits embodied in an intangible asset.

IAS 27 (Amendment) "Separate Financial Statements"

This amendment allows entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements and also clarifies the definition of separate financial statements.

IAS 1 (Amendments) "Disclosures"

The amendments clarify the guidance in IAS 1 on the concepts of materiality and concentration, the presentation of partial summaries, the structure of financial statements and the disclosure of accounting policies.

Amendments to IAS 16 and IAS 41 "Agriculture: Fruit Plantations"

In June 2014, the IASB issued amendments modifying the financial reference for fruit crops. With this amendment, it was decided that fruit plantations should be accounted for in the same way as tangible fixed assets (IAS 16). Therefore, with these amendments, fruit crops fall within the scope of IAS 16 instead of IAS 41. Production under fruit plantations remains within the scope of IAS 41.

Annual Improvements to IFRS

The following amendments describe the most important changes that are made to certain IFRSs as a result of the results of the 2010-12 annual IASB improvements program.

IFRS 2 "Share-based Payment"

The amendment clarifies the definition of the 'vesting condition' and defines distinctly the 'performance condition' and the 'service term'.

IFRS 3 "Business Combinations"

The amendment clarifies that the obligation for a consideration that meets the definition of a financial asset is classified as a financial liability or as a component of equity because of the definitions in IAS 32 "Financial Instruments: Presentation". It also clarifies that any potential consideration, whether financial or non-financial, which is not a component of equity, is measured at fair value through profit or loss.

IFRS 8 "Operating Segments"

The amendment requires the disclosure of management's estimates of the pooling of operating segments.

IFRS 13 "Fair Value Measurement"

The amendment clarifies that the standard does not exclude the possibility of measuring short-term receivables and liabilities in the amounts of invoices in cases where the effect of prepayment is insignificant.

IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets"

Both standards have been amended to clarify how the depreciable carrying amount of the asset and cumulative depreciation are treated when an entity follows the revaluation method.

IAS 24 "Related Party Disclosures"

The standard has been amended to include as a related party a company that provides key management personnel to the entity or the parent of the entity.

Annual improvements to IFRS 2014

The amendments listed below describe the key changes in four IFRSs.

IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations"

The amendment clarifies that when an asset (or group of assets) is reclassified from "held for sale" to "held for distribution" or vice versa, it is not considered as a change in the plan for sale or distribution and should not be accounted for as a change.

IFRS 7 "Financial Instruments: Disclosures"

The amendment adds specific guidance to help management determine whether the terms of an agreement to service a transferred financial asset, constitute continued involvement and also specifies that the additional disclosures required by the amendment to IFRS 7 "Disclosures - Offsetting Financial Assets Items and liabilities' are not required for all interim periods, unless required by IAS 34.

IAS 19 "Employee Benefits"

The amendment clarifies that when determining the discount rate for post-employment benefit obligations, the currency in which the obligations are presented and not the country in which they arise is significant.

IAS 34 "Interim Financial Reporting"

The amendment clarifies the concept of "information disclosed anywhere else in the interim financial report" referred to in the standard.

b) New Standards and Interpretations issued but not yet in force and not adopted earlier by the Group and the Company

The following new Standards and Standards Revisions, as well as the following Interpretations for existing Standards, have been published but either have not yet entered into force or have not been approved by the European Union. Specifically:

IFRS 9 "Financial Instruments" and subsequent amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2018).

IFRS 9 replaces the provisions of IAS 39 on Classification and Measurement of Financial Assets and Financial Liabilities, and also includes a model of expected credit loss that replaces the currently realized credit loss model. IFRS 9 establishes a concept-based hedge accounting approach and addresses inconsistencies and weaknesses in the current model of IAS 39. The Group is in the process of assessing the impact of IFRS 9 on its financial statements. IFRS 9 can not be applied earlier than the Group because it has not been adopted by the European Union.

IFRS 15 "Revenue from Contracts with Customers" (effective for annual periods beginning on or after 1 January 2018).

IFRS 15 was issued in May 2014. The purpose of the standard is to provide a single, understandable revenue recognition model from all customer contracts to improve comparability between companies in the same industry, different industries and different capital markets. It includes the principles that an entity must apply to determine the revenue measurement and the time at which it is identified. The underlying principle is that an entity recognizes revenue in a way that reflects the transfer of the goods or services to customers to the amount it expects to be entitled to in exchange for those goods or services. The Group is in the process of assessing the impact of IFRS 15 on its financial statements. The standard has not yet been adopted by the European Union.

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

IFRS 16 was issued in January 2016 and replaces IAS 17. The purpose of the standard is to ensure that lessees and lessors provide useful information that reasonably discloses the substance of transactions in leases. IFRS 16 introduces a single model for the accounting treatment by the lessee which requires the lessee to recognize assets and liabilities for all lease agreements with a maturity of more than 12 months unless the underlying asset is of non-significant value . Regarding accounting treatment by the lessor, IFRS 16 substantially integrates the requirements of IAS 17. Therefore, the lessor continues to categorize leases in operating and finance leases and to follow different accounting treatment for each type of contract. The Group is in the process of assessing the impact of IFRS 16 on its financial statements. The standard has not yet been adopted by the European Union.

IFRS 10, IFRS 12 and IAS 28 (Amendments) "Investment companies: Applying the exemption from the obligation to consolidate" (effective for annual periods beginning on or after 1 January 2016).

The amendments clarify the application of the exemption of investment companies and their subsidiaries from the consolidation obligation. The amendments have not yet been adopted by the European Union.

IAS 12 (Amendments) "Recognition of deferred tax assets on unrealized losses" (effective for annual periods beginning on or after 1 January 2017).

The amendments clarify the accounting treatment for the recognition of deferred tax assets on unrealized losses arising from loans measured at fair value. The amendments have not yet been adopted by the European Union.

IAS 7 (Amendments) "Disclosures" (effective for annual periods beginning on or after 1 January 2017).

The amendments introduce mandatory disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments have not yet been adopted by the European Union.

IFRS 2 (Amendments) "Classification and measurement of share-based payment transactions" (effective for annual periods beginning on or after 1 January 2018).

The amendment provides clarifications about the measurement basis for share-based payment and cash-settled transactions and the accounting treatment of changes in terms that alter a cash-settled benefit to a transaction that is settled in equity instruments. In addition, they introduce an exception to the principles of IFRS 2 under which a benefit should be treated as if it were to be settled entirely in equity instruments where the employer is required to withhold an amount to cover the tax liabilities of employees Result from share-based benefits and attribute it to the tax authorities. The amendments have not yet been adopted by the European Union.

5. Financial Risk Management

The Company is active in a highly competitive globalized environment and over the last few years has greatly enhanced its outward development while also developing new activities and promoting its entry into new markets.

Its specialized know-how, its excellent organization and the intense activation of all its executives, combined with the study, development and marketing of new products, with emphasis on the quality and the ability to meet demand directly, as well as the changing needs of the final Customers, as well as the creation of strong infrastructure and penetration into new markets, help the Company to remain competitive and to promote its development and its further entry into new areas Profit margins.

The small financial exposure of the Group and its significant qualitative and product diversification are the main means available to minimize the negative effects of the unprecedented economic crisis, but it is not possible to leave the Group's revenues and results unchanged due to the intensity And the duration of the phenomenon and the general state of suffocation and lack of liquidity prevailing in the market.

The usual financial and other risks to which the Company is exposed are market risks, credit risk, liquidity risk, etc. Specifically:

a. Risk of falling demand due to the general recession

Although this specific risk is limited due to the specific categories of software developed and marketed by the Company, however, in order to avoid demand reduction due to the general downturn prevailing in the Greek market and the consequent shrinking of the potential customer base in the domestic market, The Company develops a large and wide range of products in different categories addressed to the international market in order to compensate for potential losses in specific market sectors let. The Company develops and develops its software products based on continuous and day-to-day market monitoring and research, as well as new technologies, so as to equalize potential losses by entering new markets.

However, in view of the general negative conditions that inevitably affect the Company's activity as well as the particularly unfavorable economic environment prevailing in the domestic and world markets, this risk is judged to be real and capable of affecting the results The Group and the Company during the current year. For this reason, given that the crisis appears to be more prominent in the domestic market, special emphasis is placed on strengthening the company's outward focus and expanding the international presence of the Group.
In addition, the referendum held in the United Kingdom on 23 June 2016, the result of which is the decision to leave the United Kingdom from the European Union, creates a climate of uncertainty and general instability in the world economy. Due to the long-term timetable for implementing the above decision, the market effects are still unknown, and any forecasts are considered to be extremely precarious.

b. Risk of increased competition from firms of international agency representations

The specific risk is always present and measurable in the area where the Company operates, especially if it is taken into account that entry barriers are not so strong in this area, as the majority of the technical terms used to implement and integrate information Systems and customization of software products are widespread, which allows foreign companies to penetrate relatively easily into the market, taking advantage in particular of comparative leonektimata available, especially in sizes level. The Company addresses this risk with emphasis on the design and development of quality and modular products, the systematic and targeted improvement, upgrading and adaptability of the products it already markets, the representation of powerful and world-known companies, the creation of lasting and trustful relationships with its customers Basis and the expansion of its activities abroad.

Nevertheless, the specific risk is a viable and potential risk at any time and this importance is addressed by the Company's Management, for which reason the Company always emphasizes its quality and product diversification and in general the provision High-level services to its customers, while systematically enhancing its outward-looking approach to overcoming this risk and upgrading its role and presence on the international market, which Makes it more resilient to address this risk. In addition, the steady increase in the global market size partially mitigates the impact of competition, so that activity developed outside Greece compensates for any inevitable losses on the Greek market.

c. Risk of technological developments

Technological developments have a major impact on the competitiveness of companies active in the IT sector. Companies operating in the IT sector must be constantly aware of possible variations in existing technology and make the necessary investments to ensure the high technological level.

On the basis of the above and to reduce as much as possible the risk of technological developments, the Group:

• develops products on highly efficient and internationally recognized platforms.

• Continuing training of staff on technological issues, in collaboration with internationally recognized organizations specialized in high technology industries.

• offers innovative applications commensurate with the needs and requirements of the market.

For these reasons, the specific risk is not considered to be particularly significant in the given time period.

d. Credit risk

Company Management, based on its internal operating principles, ensures that sales of goods and services take place to customers of high creditworthiness and ability. Due to the expansion of the Company's activities abroad, this risk is real compared to customers from other countries (especially African and Asian countries) for whom it is not always easy to effectively control their creditworthiness Capacity and reliability.

For this reason, the Company constantly develops and develops internal operating mechanisms (in terms of negotiation, contract and project management) in order to better address this risk. Within this framework and the valuation methods available to the Company, the Group has not yet addressed significant amounts of doubtful debts, for which no adequate provision has been made. Hence, this risk, although, present in view of the overall negative economic climate, is currently being assessed as a controlled one. If the worsening of the conditions for the growth of economic activity, and in particular the Greek market as a consequence of the imposition of capital restrictions, diffuses, this risk may affect the Company's results.

For a better presentation of the above we list the following tables:

	GROUP		COMPANY	
	31.12.2016	**31.12.2015**	**31.12.2016**	**31.12.2015**
Clients and other commercial	6.398.550	7.171.772	4.136.338	5.676.002
Other financial data	7.264	3.730	6.510	3.730
Short term investments	7.181.161	3.889.120	6.973.205	3.333.963
Cash & cash equivalents	6.227.778	6.510.661	3.037.553	2.266.953
Total	**19.814.753**	**17.575.283**	**14.153.606**	**11.280.648**

Commercial Requirements Analysis:

	Group		Company	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Unrelieved balances	4.198.550	4.961.772	1.966.338	3.496.002
Overdue balances	6.561.425	6.311.425	6.227.615	5.977.615
Total	**10.759.975**	**11.273.197**	**8.193.953**	**9.473.617**
Formed provision for impairment of overdue balances	(4.361.425)	(4.101.425)	(4.057.615)	(3.797.615)
Fair value of trade receivables	**6.398.550**	**7.171.772**	**4.136.338**	**5.676.002**

Of the outstanding and non-impaired balances the amount of € 2,15 million relates to litigation claims from public sector bodies which have not yet been finalized and can be enforced. As far as the maturity of these claims is concerned, they are in arrears for more than 5 years.

e. Liquidity risk

It does not appear at the time of this writing, that there is particular liquidity risk for the Company. Loans and other liabilities are less than available cash, short-term investments and receivables, which ensure the smooth financing of the Company.

However, it should be noted that there are delays in payments for projects in the broader public sector. If the current conditions of general credit crunch continue for a long time, delays in disbursements involving public sector projects may have some negative effects on the overall operation of the Company, which may affect to a certain extent the cash flows Of the Group.

In Notes 22 and 25 of the annual financial statements there is a table showing the Group's loans and other liabilities. The loans and other liabilities of the Group and the Company are shown in the following tables:

	31.12.2016		31.12.2015	
Group	**<1 year**	**> 1 year**	**<1 year**	**> 1 year**
Loans	3.618.109	2.493.750	3.036.237	1.968.750
Other commitments	8.510.171	5.124.865	7.576.821	620.290
Total	**12.128.280**	**7.618.615**	**10.613.058**	**2.589.040**

	31.12.2016		31.12.2015	
Company	**<1 year**	**> 1 year**	**<1 year**	**> 1 year**
Loans	3.481.691	2.493.750	2.899.818	1.968.750
Other commitments	5.570.300	626.020	4.851.324	438.920
Total	**9.051.991**	**3.119.770**	**7.751.142**	**2.407.670**

f. Interest rate risk

The interest rate risk for the Company is not particularly high given that the Company's borrowing is linked to Euribor and that the Company has limited exposure to bank debt. The Group's policy is to keep the amount of total borrowing at a variable interest rate and to take corrective action whenever necessary while avoiding, as far as this is permissible in general business, the exposure to further lending. On the basis of current data, this risk is classified as controlled and is not expected to negatively affect the Group's figures and results during the current financial year.

6. Segment Reporting

For administrative purposes, the group is organized into business centers and business units. The Group's activities are in two business areas, the one of financial solutions and business solutions.

The results of the Group's segments are analyzed as follows:

01.01-31.12.2016	Financial Solutions	Business Solutions	Total
Sales	**9.238.144**	**4.241.427**	**13.479.571**
Less: Intercompany	(1.060.329)	(3.126.561)	(4.186.890)
Sales to third parties	**8.177.815**	**1.114.866**	**9.292.681**
Gross profit	**4.038.597**	**96.679**	**4.135.276**
Other income			846.397
Operating costs (disposal, administration and research)			(3.953.405)
Other operating expenses			(262.432)
Operating result			**765.836**
Financial income / (cost)			(220.344)
Profit before tax			**545.492**
Income taxes			48.094
Results after taxes			**593.586**
Minority rights			(32.251)
Net Group Result			**561.335**

31.12.2016	Financial Solutions	Business Solutions	Unallocated	Total Amounts
Intangible assets	3.451.315	3.196.588	-	6.647.903
Tangible assets	-	-	6.508.943	6.508.943
Other assets	6.286.011	4.219.098	13.359.670	23.864.779
Total liabilities	(1.364.274)	(2.275.548)	(16.107.073)	(19.746.895)
Net asset value	**8.373.052**	**5.140.138**	**3.761.540**	**17.274.730**

01.01-31.12.2015	Financial Solutions	Business Solutions	Total
Sales	**8.816.254**	**1.933.682**	**10.749.936**
Less: Intercompany	(1.341.325)	-	(1.341.325)
Sales to third parties	**7.474.929**	**1.933.682**	**9.408.611**
Gross profit	**3.907.760**	**163.395**	**4.071.155**
Other income			630.835
Operating costs (disposal, administration and research)			(3.694.539)
Other operating expenses			(30.705)
Operating result			**976.746**
Financial income / (cost)			2.261
Profit before tax			**979.007**
Income taxes			(85.386)
Results after taxes			**893.621**
Minority rights			25.432
Net Group Result			**919.053**

31.12.2015	Financial Solutions	Business Solutions	Unallocated	Total Amounts
Intangible assets	4.831.975	156.637	-	4.988.612
Tangible assets	-	-	4.920.399	4.920.399
Other assets	6.174.044	4.772.930	9.034.611	19.981.585
Total liabilities	(1.673.918)	(1.746.193)	(9.781.987)	(13.202.098)
Net asset value	**9.332.101**	**3.183.374**	**4.173.023**	**16.688.498**

7. Expense Analysis

The expenses of the Group and the Company for the year ended 2016, are analysed as follows:

	GROUP	COMPANY
Cost of goods sold	672.777	581.894
Remuneration and staff costs	3.715.786	2.777.272
Fees and expenses of third parties	1.900.622	3.427.841
Third party benefits	339.287	243.604
Taxes Fees	42.599	29.343
Other Expenses	951.480	711.877
Depreciation of fixed assets	2.051.261	1.600.858
Operating estimates	310.462	306.040

Total	**9.984.274**	**9.678.729**

The distribution of costs, is as follows :

	GROUP	COMPANY
Cost of Sales	5.157.405	6.750.673
Distribution costs	2.169.903	1.360.212
Administrative expenses	1.095.393	997.861
Research Expenses	688.109	569.983
Depreciation of Subsidized Assets	188.730	-
Program Development Costs	684.734	-
Total	**9.984.274**	**9.678.729**

The number of personnel, for the Group and the Company, as at 31 December 2016 and 31 December 2015 and the payroll cost for the years 2016 and 2015 are analyzed as follows:

	2016		2015	
	GROUP	COMPANY	GROUP	COMPANY
Number of personnel	95	74	90	69
Total cost	**3.715.786**	**2.777.272**	**3.235.598**	**2.606.135**

8. Income Tax

The amount of taxes has been calculated using the actual tax rates for each fiscal year. Non-deductible expenses include mainly provisions that are reformed by management when calculating income tax.

Income tax declarations are filed on a yearly basis but the gains and losses reported for tax purposes remain temporary until the tax authorities review the tax returns and taxpayer's books at the time that the related tax liabilities are settled. Tax losses, to the extent recognized by the tax authorities, may be used to offset profits for the five subsequent fiscal years that follow their intended use.

With the provisions of Law 4334/2015, the rate of income tax on profits acquired by legal persons holding duplicate books for profits arising from 1 January 2015 onwards has increased from 26% to 29%.

The Company and its subsidiary GLOBALSOFT were tax audited for fiscal years 2011-2015 in accordance with the aforementioned provisions and were granted both to the Company and to its subsidiary the relevant tax certificates with unconditional conclusion. The tax audit of the company and its subsidiaries GLOBALSOFT & PROFILE DIGITAL SERVICES SA for the fiscal year 2016 is underway from the statutory auditors, from which no significant additional charges are expected to arise.

The following is a reconciliation for nominal and effective tax rates for the Group and the Company:

	GROUP		COMPANY	
	2016	2015	2016	2015
Profit before tax	**545.492**	**979.007**	**(188.218)**	**(130.997)**
Income tax at Company tax ratefor 2016, 2015: 29%	(158.193)	(283.912)	54.583	37.989
Tax corresponding to non-taxable profits	242.595	225.214	139.878	105.132
Deferred tax from a change in tax rate	-	54.359	-	41.174
Revaluation of deferred tax assets	(226.273)	(233.273)	(226.273)	(233.273)
Tax effect from the different tax rate applicable to the subsidiaries	199.075	209.357	-	-
Non-deductible tax expenditure	(30.718)	(54.679)	-	(33.481)
Prior year tax differences	21.877	4.756	23.477	8.083
Differences of tax audit and other taxes	(269)	(7.208)	-	-
Income taxes that appear in the Income Statement	**48.094**	**(85.386)**	**(8.335)**	**(74.376)**

Deferred tax accounts for the Group and the Company are analyzed as follows:

	GROUP		COMPANY	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Deferred tax receivables	1.207.190	1.034.640	909.450	901.503
Deferred tax liabilities	(387.078)	(523.769)	(397.331)	(562.160)
	820.112	**510.871**	**512.119**	**339.343**

The fact that in some cases, income and expenses are accounted for in a different time from the date when such income is tax charged or the expenses are deducted for the purpose of determining the taxable income, creates the need to account for deferred tax assets or deferred tax liabilities.
The movement of the deferred tax asset (liability) is as follows:

	GROUP		COMPANY	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Beginning balance	510.871	469.525	339.343	356.843
Income tax credit / (charge)	309.241	41.346	172.776	(17.500)
End-of-use balance	**820.112**	**510.871**	**512.119**	**339.343**

The nature of the temporary differences and the breakdown of the financial year 01.01.2016-31.12.2016 for the Group is as follows:

GROUP	Beginning balance	Debits / Credits (-) of Results	Debits/ Credits (-) Other Income	Ending Balance
Provisions for doubtful	817.370	(150.873)	-	666.497
Intangible asset write-offs	(68.264)	247.593	-	179.329
Provisions for Staff Compensation	88.077	14.634	417	103.128
Land-building adjustment	(331.843)	(20.086)	-	(351.929)
Difference in accounting depreciation	39.763	140.411	-	180.174
Deferred expenses	-	1.239	-	1.239
Revenues / expenses accrued	(123.663)	88.513	-	(35.150)
Demand for tax loss	43.685	(12.607)	-	31.078
Forecast stock devaluation	15.948	-	-	15.948
Other impairment provisions	29.798	-	-	29.798
	510.871	**308.824**	**417**	**820.112**

The nature of the temporary differences and the breakdown of the financial year 01.01.2016-31.12.2016 for the Company is as follows :

COMPANY	Beginning balance	Debits / Credits (-) of Results	Debits/ Credits (-) Other Income	Ending Balance
Provisions doubtful	770.970	(150.873)	-	620.097
Intangible asset write-offs	(96.402)	240.860	-	144.458
Provisions for Staff Compensation	76.615	13.351	(988)	88.978
Land-building adjustment	(331.842)	(20.086)	-	(351.928)
Difference in accounting depreciation	3.628	1.999	-	5.627
Revenues / expenses accrued	(123.766)	88.513	-	(35.253)
Forecast stock devaluation	(1.050)	-	-	(1.050)
Other impairment provisions	41.190	-	-	41.190
	339.343	**173.764**	**(988)**	**512.119**

9. Earnings per share

The calculation of the basic earnings per share at 31.12.2016 and 31.12.2015 is as follows:

	GROUP		COMPANY	
	31.12.2016	**31.12.2015**	**31.12.2016**	**31.12.2015**
Net profit attributable to the shareholders of the parent	561.335	919.053	(196.553)	(205.373)
Weighted average number of shares in circulation	11.763.038	11.763.038	11.763.038	11.763.038
Earnings per share	**0,0477**	**0,0781**	**(0,0167)**	**(0,0175)**

10. Tangible fixed assets

Tangible assets of the Group are presented as follows:

GROUP	Land	Buildings	Mechanical Equipment	Means of transportation	Furniture and other equipment	Total
Cost or estimate						
01.01.2015	**2.050.000**	**4.209.052**	**1.062**	**38.016**	**1.996.925**	**8.295.055**
Additions in period	-	-	-	-	30.066	30.066
31.12.2015	**2.050.000**	**4.209.052**	**1.062**	**38.016**	**2.026.991**	**8.325.121**
Depreciation						
01.01.2015	**-**	**(1.281.223)**	**(1.062)**	**(36.499)**	**(1.935.174)**	**(3.253.958)**
Depreciation in period	-	(127.337)	-	(243)	(23.184)	(150.764)
31.12.2015	**-**	**(1.408.560)**	**(1.062)**	**(36.742)**	**(1.958.358)**	**(3.404.722)**
Net book value 31.12.2015	**2.050.000**	**2.800.492**	**-**	**1.274**	**68.633**	**4.920.399**
Cost or estimate						
Additions in period	-	-	-	-	1.804.640	1.804.640
31.12.2016	**2.050.000**	**4.209.052**	**1.062**	**38.016**	**3.831.631**	**10.129.761**
Depreciation						
Depreciation in period	-	(127.337)	-	(243)	(88.516)	(216.096)
31.12.2016	**-**	**(1.535.897)**	**(1.062)**	**(36.985)**	**(2.046.874)**	**(3.620.818)**
Net book value 31.12.2016	**2.050.000**	**2.673.155**	**-**	**1.031**	**1.784.757**	**6.508.943**

Tangible assets of the Company are presented as follows:

COMPANY	Land	Buildings	Mechanical equipment	Means of Transportation	Furniture and other equipment	Total
Cost or estimate						
01.01.2015	**2.050.000**	**4.190.257**	**-**	**36.842**	**1.685.836**	**7.962.935**
Additions in period	-	-	-	-	23.872	23.872
31.12.2015	**2.050.000**	**4.190.257**	**-**	**36.842**	**1.709.708**	**7.986.807**
Depreciation						
01.01.2015	**-**	**(1.272.493)**	**-**	**(35.324)**	**(1.624.322)**	**(2.932.139)**
Depreciation in period	-	(125.681)	-	(243)	(22.205)	(148.129)
31.12.2015	**-**	**(1.398.174)**	**-**	**(35.567)**	**(1.646.527)**	**(3.080.268)**
Net book value						

31.12.2015	**2.050.000**	**2.792.083**	**-**	**1.275**	**63.181**	**4.906.539**
Additions in period	-	-	-	-	21.271	21.271
31.12.2016	**2.050.000**	**4.190.257**	**-**	**36.842**	**1.730.979**	**8.008.078**
Depreciation in period	-	(125.681)	-	(243)	(25.423)	(151.347)
31.12.2016	**-**	**(1.523.855)**	**-**	**(35.810)**	**(1.671.950)**	**(3.231.615)**
Net book value 31.12.2016	**2.050.000**	**2.666.402**	**-**	**1.032**	**59.029**	**4.776.463**

Land and buildings were revalued on 01.01.2004 by independent appraisers at their fair value and the differences were recognized in retained earnings. Historical cost is selected as the basis for the subsequent valuation of these items.

The Company's property is underwritten to secure a bank loan that has been fully redeemed during the fiscal year 2012. The formal procedure for lifting this real burden has not been completed.

11. Goodwill

Goodwill for the Group is analyzed as follows:

GROUP	Balance 31.12.2015	Increase	Decrease	Balance 31.12.2016
GLOBAL SOFT SA	764.809	-	-	764.809
Goodwill	**764.809**	**-**	**-**	**764.809**

The Company holds 97.09% (31 December 2016: 97.09%) of the share capital of the subsidiary "Globalsoft SA" as at 31 December 2016. The acquisition of 70% was effected on 29.09.2004, 23% came through the increase of the share capital of the subsidiary in April 2005, by € 202.170, by 3.06% through the share capital increase in October 2007 amounting to € 205.100, the 0,64% through share capital increase in September 2011 by € 89,989 and the remaining 0,4% through share capital increase in April 2015 amounting to € 76,229.81, as a result of the non-exercise of the pre-emptive rights to the above increases from the other part - shareholder of that subsidiary.

Goodwill is accounted for using the redemption method and represents the difference between the consideration paid and the fair value of the assets acquired as measured on the dates of the transactions. The minority shareholders did not participate in the above share capital increases. The Company conducted an annual impairment test for the goodwill as at 31 December 2016 in accordance with IAS 36 and there was no indication of any further impairment in the current year.

The impairment test was made on the basis of projected discounted cash flows covering a five year period with a residual value. Key assumptions mainly concern discount rates, growth rates and projected profit margins. Estimates of the above assumptions were made by the Group based on the experience of previous years and the expectations for future changes in the market in which it operates. The projected cash flows beyond the five-year period were determined at a growth rate of 3%.

12. Intangible assets

The intangible assets of the Group are analyzed as follows:

GROUP	Development expenses	Purchased Software	Total
Net book value 01.01.2015	**4.643.963**	**197.519**	**4.841.482**
Additons	1.096.232	-	1.096.232
Depreciation	(1.589.761)	(124.150)	(1.713.911)
Net book value 31.12.2015	**4.150.434**	**73.369**	**4.223.803**
Addtions	3.443.117	51.338	3.494.455
Depreciation	(1.764.676)	(70.489)	(1.835.165)
Net book value 31.12.2016	**5.828.875**	**54.218**	**5.883.093**

The intangible assets of the Company are analyzed as follows:

COMPANY	Development expenses	Purchased Software	Total
Net book value 01.01.2015	**3.894.249**	**178.618**	**4.072.867**
Additons	903.449	-	903.449
Depreciation	(1.327.255)	(110.761)	(1.438.016)
Net book value 31.12.2015	**3.470.443**	**67.857**	**3.538.300**
Addtions	40.584	1.338	41.922
Depreciation	(1.391.188)	(58.323)	(1.449.511)
Net book value 31.12.2016	**2.119.839**	**10.872**	**2.130.711**

Intangible assets mainly include software development costs, as well as purchased software. During the year 2016, the total of additions for the Group amounted to € 3.494.455 (2015: € 1.096.232) and € 41.922 (2015: € 903.449) for the Company. In particular, they relate to the development and purchase of ready-made software for a public sector partnership for the transcription of court hearings.

13. Investments in affiliated companies

The change in the value of investments in affiliated companies is analyzed as follows:

COMPANY	Balance 31.12.2015	Increases (Decreases) in period	Balance 31.12.2016
GLOBAL SOFT SA	1.351.639	-	1.351.639
PROFILE SYSTEMS & SOFTWARE (CYPRUS) LTD	1.500.195	-	1.500.195
PROFILE DIGITAL SERVICES SA	580.000	-	580.000

Total	**3.431.834**	**-**	**3.431.834**

The investment in the affiliated company COMPUTER INTERNATIONAL FRANCHISE Ltd amounting to € 138,416 has been written off from previous years due to the fact that it has entered into liquidation, but has not been completed for typical reasons.

As at 31.12.2016, an impairment test was carried out regarding the acquisition cost of the transaction the Group had made in order to acquire a holding percentage in each of its existing subsidiaries in accordance with the provisions of IAS. 36. As regards the impairment test of the acquisition value of GLOBALSOFT SA, a detailed reference is made to note 11. For the participation in PROFILE SYSTEMS & SOFTWARE (CYPRUS) LTD, the recoverable amount (value of use) was higher than the accounting of the value of that acquisition. The recoverable amount of the subsidiary was determined on the basis of the calculation of the value of that subsidiary. Current value was calculated on the basis of projected discounted cash flows covering a five year period with a residual value.

The key assumptions adopted for calculating the value of use of the above impairment tests on 31.12.2016 mainly concern discount rates, growth rates and projected profit margins. Estimates of the above assumptions have been made by the Group based on the experience of previous years and the expectations for future changes in the market in which it operates. The projected cash flows beyond the five-year period were determined at a growth rate of 3%.

14. Inventory

The Group's and Company's inventories are analyzed as follows:

	GROUP		COMPANY	
	31.12.2016	**31.12.2015**	**31.12.2016**	**31.12.2015**
Inventory	308.317	328.475	277.565	297.723
Total	**308.317**	**328.475**	**277.565**	**297.723**

The Group's and Company's stocks mainly include electronic equipment and ready-to-use software that are used in the projects that are being implemented.

15. Trade receivables and other trade receivables

The trade receivables of the Group and the Company are analyzed as follows:

	GROUP		COMPANY	
	31.12.2016	**31.12.2015**	**31.12.2016**	**31.12.2015**
Clients	10.479.883	11.014.711	7.966.472	9.269.660
Billing notes received	7.104	7.104	3.696	3.696
Post dated checks	272.988	251.382	223.785	200.261
Minus: Provision for impairment	(4.361.425)	(4.101.425)	(4.057.615)	(3.797.615)
Total	**6.398.550**	**7.171.772**	**4.136.338**	**5.676.002**

The account receivable from clients is non interest-bearing and usually settled in 1 - 120 days. The time of collection of claims from ongoing projects depends on the progress of the works. The provision for impairment is based on the maturity of the debts in accordance with the adopted credit policy in conjunction with the historical consistency and solvency of the clients, taking into account the current economic circumstances.

Analysis of trade receivables is as follows:

	GROUP		COMPANY	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Unrelieved balances	4.198.550	4.961.772	1.966.338	3.496.002
Overdue balances	6.561.425	6.311.425	6.227.615	5.977.615
Balance	**10.759.975**	**11.273.197**	**8.193.953**	**9.473.617**
Formed provision for impairment of overdue balances	(4.361.425)	(4.101.425)	(4.057.615)	(3.797.615)
Fair value of trade receivables	**6.398.550**	**7.171.772**	**4.136.338**	**5.676.002**

Of the above outstanding and non-impaired balances an amount of € 2,15 million relates to litigation claims from the public sector that have not yet been finalized so that they can be enforced. As far as the maturity of these claims is concerned, they are in arrears for more than 5 years.

16. Advances and other claims

Advance payments and other receivables of the Group and the Company are analyzed as follows:

	GROUP		COMPANY	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Advances	62.934	51.169	13.047	9.772
Greek state	1.401.863	175.392	686.346	157.260
Other debtors	190.945	315.613	254.026	377.961
Future expenses	31.890	156.435	24.004	235.419
Revenues receivable	1.233.966	868.347	756.592	622.698
Total	**2.921.598**	**1.566.956**	**1.734.015**	**1.403.110**

These other requirements are considered to be short-term. The fair value of these are considered to approximate their book value.

17. Short-term investments

The short-term investments of the Group and the Company are analyzed as follows:

	GROUP		COMPANY	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Opening Balance	3.889.120	2.655.787	3.333.963	2.326.421
Additions in period	6.655.646	2.772.922	7.914.521	2.029.386
Sales in period	(3.404.849)	(1.545.493)	(4.302.214)	(1.036.239)
Total short-term investments	**7.139.917**	**3.883.216**	**6.946.270**	**3.319.568**
Revaluation at fair value	41.244	5.904	26.935	14.395

Ending balance	**7.181.161**	**3.889.120**	**6.973.205**	**3.333.963**

18. Cash and cash equivalents

The cash and cash equivalents of the Group and the Company are analyzed as follows:

	GROUP		COMPANY	
	31.12.2016	**31.12.2015**	**31.12.2016**	**31.12.2015**
Cash on hand	13.752	23.269	3.509	9.332
Cash in banks	6.214.026	6.487.392	3.034.044	2.257.621
Total	**6.227.778**	**6.510.661**	**3.037.553**	**2.266.953**

Available cash and cash equivalents represent cash in the Group and Company funds and bank deposits available on demand. Bank deposits are charged with interest at floating rates based on monthly bank rates.

19. Share capital and share premium

The change in the share capital of the Company is analyzed as follows:

	Shares	**Share capital**	**Share premium**
Balance 01.01.2015	**11.812.193**	**5.551.731**	**2.925.510**
Increase by share premium	-	-	-
Increase by capitalization of reserve (Greek law N.4172 / 2013)	-	-	-
Balance 31.12.2015	**11.812.193**	**5.551.731**	**2.925.510**
Share capital increase	-	-	-
Balance 31.12.2016	**11.812.193**	**5.551.731**	**2.925.510**

The share capital of the Company as at 31 December 2016 amounted to € 5.551.731 (31 December 2015: € 5.551.731) divided into 11,812,193 ordinary shares of nominal value € 0,47 each. During the year 2016 the Company did not increase its share capital.

20. Treasury shares

The change in the Group's and Company's own shares is analyzed as follows:

	GROUP		COMPANY	
	Shares	**Value**	**Shares**	**Value**
Balance 01.01.2015	**49.155**	**32.629**	**49.155**	**31.532**
Purchase of treasury shares during the year	-	-	-	-
Balance 31.12.2015	**49.155**	**32.629**	**49.155**	**31.532**
Purchase of treasury shares during the year	-	-	-	-

Balance 31.12.2016	**49.155**	**32.629**	**49.155**	**31.532**

21. Reserves

The change in the Group's and Company's reserves is analyzed as follows:

GROUP	01.01.2016	Change	31.12.2016
Regular reserve	655.420	-	655.420
Tax free reserve of special tax regulations	2.905.301	-	2.905.301
Reserve from income from taxable items	45.794	-	45.794
Special own-equity reserve of Greek Law 3299/2004	1.172.685	-	1.172.685
Special investment reserve cover ICT4GROWTH	852.851	-	852.851
Total	**5.632.051**	**-**	**5.632.051**

COMPANY	01.01.2016	Change	31.12.2016
Regular reserve	639.790	-	639.790
Tax free reserve of special tax regulations	2.906.319	-	2.906.319
Reserve from income from taxable items	45.794	-	45.794
Special own-equity reserve of Greek Law 3299/2004	1.172.685	-	1.172.685
Special investment reserve cover ICT4GROWTH	796.080	-	796.080
Total	**5.560.668**	**-**	**5.560.668**

22. Loans

The long-term and short-term loans of the Group and the Company are analyzed as follows:

	GROUP		COMPANY	
	31.12.2016	**31.12.2015**	**31.12.2016**	**31.12.2015**
Long-term debt				
Other bank loans	2.493.750	1.968.750	2.493.750	1.968.750
	2.493.750	**1.968.750**	**2.493.750**	**1.968.750**
Short- term debt				
Bank loans	2.305.986	2.657.055	2.169.568	2.520.636
Long term loans paid in next 12 months	1.312.123	379.182	1.312.123	379.182
	3.618.109	**3.036.237**	**3.481.691**	**2.899.818**
Total debt	**6.111.859**	**5.004.987**	**5.975.441**	**4.868.568**

The companies make provisions for the accrued interest on servicing their loans and pay the relevant operating expenses for the period. The amounts of long-term loans that are payable within 12 months of the date of preparation of the financial statements have been transferred and presented to short-term liabilities.

23. Employee benefits due to retirement

The Group and the Company recognize as a retirement benefit obligation the present value of the legal commitment it has undertaken to pay a lump sum compensation to staff retiring due to retirement. The relevant liability was calculated on the basis of an actuarial study by a company of independent actuaries and is analyzed as follows:

	GROUP	COMPANY
Balance of liability on 01.01.2015	**319.081**	**273.667**
Employment cost for the period 1.1-31.12.2015	49.199	42.528
Financial cost for the period 1.1-31.12.2015	6.382	5.473
Cut out effect / Settlement / termination effect for the period 1.1-31.12.2015	0	0
Paid remunerations for the period 1.1-31.12.2015	0	0
Actuarial gains / losses for the period 1.1 – 31.12.2015	(70.951)	(57.481)
Balance of liability on 31.12.2015	**303.711**	**264.187**
Employment cost for the period 1.1-31.12.2016	44.432	40.969
Financial cost for the period 1.1-31.12.2016	7.764	6.805
Cut out effect / Settlement / termination effect for the period 1.1-31.12.2016	16.899	16.899
Paid remunerations for the period 1.1-31.12.2016	(18.633)	(18.633)
Actuarial gains / losses for the period 1.1 – 31.12.2016	1.438	(3.408)
Balance of liability 31.12.2016	**355.611**	**306.819**

Basic cases :	**31.12.2016**	**31.12.2015**
Prepayment rate	1,8%	2,00%
Inflation	1,0%	1,00%
Future salary increases	1,5%	2,00%

24. Government grants

The subsidies of the Group and the Company are analyzed as follows:

	GROUP	COMPANY
Balance 01.01.2015	**1.113.376**	**973.639**
Recognized Grant in 2015	179.976	104.809
Depreciation of Subsidies for the year 2015	(599.792)	(524.234)
Recognized Grant in the year 2016	5.893.918	243.993
Depreciation of Subsidies for the year 2016	(729.239)	(517.506)
Transfer to next-year revenue	(1.129.985)	-
Balance 31.12.2016	**4.728.254**	**280.701**

The grant recognized in the financial year 2016 relates to the Group's investment programs which were subject to the provisions of the National Strategic Reference Framework NSRF 2007-2013.

25. Suppliers and other liabilities

Suppliers and other liabilities of the Group and the Company are analyzed as follows:

	GROUP		COMPANY	
	31.12.2016	**31.12.2015**	**31.12.2016**	**31.12.2015**
Suppliers	3.456.139	3.298.442	3.136.083	2.756.523
Cheques payable	97.204	96.089	96.609	95.498
Customer advances	163.728	279.280	126.149	220.830
Social security	150.462	135.806	135.513	123.389
Accrued expenses and interest payable	1.725.884	979.438	678.621	182.667
Income from next year	1.735.835	889.581	440.847	752.593
Other taxes excluding income	458.973	167.246	406.275	138.075
Other liabilities	560.775	1.635.299	406.580	499.996
Total	**8.349.000**	**7.481.181**	**5.426.677**	**4.769.571**

26. Transactions with related parties

The Company's transactions with its subsidiaries are analyzed as follows:

	Sales		Purchases	
Intercompany transactions	**2016**	**2015**	**2016**	**2015**
GLOBAL SOFT SA	170.727	202.032	220.716	140.000
PROFILE SYSTEMS & SOFTWARE (CYPRUS) LTD	794.701	977.992	-	20.000
COMPUTER INTERNATIONAL FRANCHISE LTD	-	-	-	-
PROFILE SYSTEMS & SOFTWARE (SUISSE) SA	48.174	17.702	40.141	40.000
PROFILE SOFTWARE (UK) LTD	-	-	41.666	-
PROFILE DIGITAL SERVICES SA	3.150.882	1.257	-	-
Total	**4.164.484**	**1.198.983**	**302.523**	**200.000**

The terms of the transactions with the parties involved provide that sales to and purchases from, related parties are made at prevailing market prices at that time.

Sales to subsidiaries mainly concern expenses incurred by the Company on behalf of subsidiaries mainly for the following:

The terms of the transactions with the parties involved provide that sales to and purchases from, related parties are made at prevailing market prices at that time.

Sales to subsidiaries mainly concern expenses incurred by the Company on behalf of subsidiaries mainly for the following:

• The support, planning and planning of the commercial and technical implementation of projects in the operational area of financial solutions
• Designing and implementing other software programs that may be used by affiliates.
The balances of receivables and payables of the Company with the affiliated companies at the end of the current fiscal year, as well as of the previous one, are analyzed as follows:

	Receivables		Liabilities	
Intercompany transactions	**31.12.2016**	**31.12.2015**	**31.12.2016**	**31.12.2015**
GLOBAL SOFT SA	24.857	74.026	37.200	-
PROFILE SYSTEMS & SOFTWARE (CYPRUS) LTD	224.918	367.061	-	-
COMPUTER INTERNATIONAL FRANCHISE LTD	169.418	164.815	-	-
PROFILE SYSTEMS & SOFTWARE (SUISSE) SA	23.298	17.702	22.461	-
PROFILE SOFTWARE (UK) LTD	-	-	40.000	-
PROFILE DIGITAL SERVICES SA	1.393.600	1.927	-	-
Total	**1.836.091**	**625.531**	**99.661**	**-**

The cost of remuneration for the members of the Board of Directors and the Managing Directors of the Group and the Company for the year 2016 amounted to 520,628 EUR (2015: 416,091 EUR).

27. Measurement of fair value

The table below provides the hierarchy of the fair values of the Group's assets and liabilities.

Assets and liabilities measured at fair value	Note	Measurement Date	Amount (in thousand EUR)	Level 1	Level 2	Level 3
• Financial assets at fair value through profit or loss	17	31.12.2016	7.181.161	√	-	-

The fair value of Financial assets at fair value through profit or loss is based on their current market value on their trading market.

Assets and liabilities which are not measured at fair value in the statement of financial position but for which the fair value is disclosed. The fair value of the long-term loans of the Group and the Company as of 31.12.2016 as shown in the financial statements does not differ materially from the carrying amount.

Management estimates that the book value of short-term deposits, customers, suppliers, short-term loans and bank overdraft approximates their fair value, mainly due to their short-term maturities.

28. Contingent liabilities

A tax case is pending for the years 2005 - 2006, with an initial charge of € 302,569 plus additional charges, to which the Company has been charged, for a case filed by the Company to the Administrative Court, whose appeal is pending. Despite the fact that, based on the suggestions made by its legal advisers, the Company considers that there is a considerable chance that this appeal will be

successful, in view of the long time it takes to complete the relevant court proceedings, it has fully provided for the above charges.
There are no other litigation or arbitration disputes as well as decisions of judicial or arbitration bodies that have or are likely to have a material impact on the financial position or operation of the Company and the Group.
The Group and the Company have contingent liabilities in respect of matters arising in the ordinary course of business. No material charges are expected to arise from contingent liabilities. No additional payments are expected at the date of preparation of these annual financial statements.

The guarantees through letters of guarantee issued by bank institutions on 31.12.2016 concern the following:

	GROUP	COMPANY
Guarantees to ensure good contracts with suppliers	28.700	28.700
Participation guarantees	4.719	4.719
Guarantees to ensure good execution of contracts with customers	971.192	932.648
	1.004.611	**966.067**

The unaudited fiscal years of the Group's companies are as follows:

Name of Company	Unaudited fiscal years
PROFILE AEBEΠ	2010 & 2016
COMPUTER INTERNATIONAL FRANCHISE LTD	2007-2016
GLOBAL SOFT SA	2010 & 2016
PROFILE SYSTEMS & SOFTWARE (CYPRUS) LTD	2008-2016
PROFILE SYSTEMS & SOFTWARE (SUISSE) SA	2013-2016
PROFILE SYSTEMS (UK) LTD*	2015-2016
PROFILE DIGITAL SERVICES SA**	2015-2016

* Profile Systems Companies (UK) Ltd and Profile Digital SA were established in the year 2015.

The Company and its subsidiary GLOBALSOFT were tax audited for fiscal years 2011-2015 in accordance with the aforementioned provisions and were granted both to the Company and to its subsidiary the relevant tax certificates with unconditional conclusion.

For the year 2016 the Company and its subsidiaries GLOBALSOFT SA and PROFILE DIGITAL SERVICES SA have also been subject to the same ongoing audit and the relevant tax certificate is to be issued after the publication of the annual financial statements of 2016. In any case, until tax audit completes additional tax liabilities, we assume that they will not have a material effect on the financial statements.

Nea Smyrni, 07 April 2017

President and CEO	Vice-chairman of the Board	The Chief Financial Officer	Accounting Manager
Stasinopoulos Charalampos	Barbatos Spiridon	Evangelos Angelides	Zafeiris Santoukas

ID Σ577589	ID AE077416	ID 1157610	ID AI109838

CHAPTER 6
Availability of Financial Statements

According to the provisions of Law 3556/2007 and Decision 8/754 / 14-04-2016. of the Board of Directors Of the Hellenic Capital Market Commission, the Company announces that the Annual Financial Report for the year 2016 is legally posted on the internet at www.profile.gr, the posting fulfills all the requirements of article 7 of the above Decision of the Board of Directors of the Hellenic Capital Market Commission.