PROFILE SYSTEMS & SOFTWARE SA

FINANCIAL STATEMENTS
From January 1 to December 31, 2017

(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 as well as with the application number 62784 / 06.06.2017 of the Corporate Circular of the Company Directorate & GEMI. of the Ministry of Economy, Development and Tourism 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 following statements, which are effected in accordance with article 4 par. 2 of the L.3556/2007, as applicable, are given by the following Members of the Board of Directors of the Company:

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**.

The undersigned, in our above-mentioned capacity, 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 17th of April 2018, we state and assert that to the best of our knowledge:

(a) the Annual Financial Statements of the Company of the financial year 2017 (01.01.2017-31.12.2017), for the Parent and the Group, which were compiled according to the applicable accounting standards, provide a true and fair view of the assets and liabilities, the equity and the results of the Company, and its subsidiaries which are included in the consolidation, according to that stated in 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 view of the significant events that took place during the financial year 2017 (01.01.2017-31.12.2017), 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 operations and performance of the Company and its Subsidiaries which are included in the Consolidated accounts.

Nea Smyrni, 17th of April 2018
The declaring Members of the Board of Directors

Charalampos Stasinopoulos	Spyridon Barbatos	Konstantinos Mantzavinatos
ID. S 577589	ID. AE 077416	ID. P 280422

CHAPTER 3
Annual Report of the Board of Directors for the year 2017

The present Annual Management Report of the Board of Directors (hereinafter referred to as the "Report" or "Annual Report") for the fiscal year 2017 (01.01.2017-31.12.2017) has been prepared in accordance with the 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.

The Bord of Directors report includes the company's financial performance and the significant events , which are necessary, based on the above legal framework and it presents in a true and fair view all the relevant legal information required, in order to proper conclude for the Company's performance 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 under liquidation 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% and;
• "PROFILE DIGITAL SERVICES SA", with headquarters in Nea Smyrni, Attica, in which the Company participates with a percentage of 100% and;
• "LOGIN S.A.", based in France, in which the Cypriot subsidiary "PROFILE SYSTEMS & SOFTWARE (CYPRUS) LTD") participates with a percentage of 78.35%. The acquisition of the company took place on July 6, 2017 and will be completed at 100% in the year 2018. According to IFRS 3, the two strands of the transaction (acquisition of the aforementioned subsidiary) were considered as united parts of the business combination and correspond to the remaining amount of 21.65%, was accounted for as a possible consideration in the closed year 2017

This Report with the accompanying annual financial statements, which compromise the separate and consolidated statements, for the year 2017 (01.01.2017-31.12.2017) and in the view that the Company prepares consolidated and non-consolidated financial statements, this Report is unified, with primary consolidated financial data of the Company and its affiliated companies and by reference to separate (unconsolidated) financial data of the Company, only where it is appropriate or necessary for the best understanding of Its content.

The Report is accompyning the Company's financial statements and other statutory requirments and statements in the Annual Financial Report for the year ended 2017.

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

SECTION A

Significant events that took place during the year 2017

The significant events that took place during the year 2017 (01.01.2017-31.12.2017) 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

Profile presents the latest version of Axia with enhanced Wealth Management and Family Office functionality

Profile, announced the latest upgrade in Axia, the web-based wealth management and family office platform. Its functional coverage has been enriched with a number of new attributes such as instrument types, transaction types, analytics, interfaces and features to further boost the operational capability and efficiency of the organisation.

On top of the existing advanced CRM, Portfolio Management tools, that support standard investments like bonds, stocks, deposits, etc., Axia incorporates advanced functionality for alternative investments like private equity funds and real estate properties instruments especially addressing the needs of Family Office operations. In particular, private equity funds incorporate special static data, commitments management and execution of special transactions, such as capital calls and distributions. Axia also supports the appropriate evaluation treatment and a number of specialised ratios like TVPI, DVPI, RVPI and PIC while enabling performance measurement using IRR. Real estate properties also take provision for special static data and transaction types to manage the relevant investments.

It is worth mentioning that a new advanced module has been incorporated in this version for advanced risk analytics. This refers to the “Risk Metrics” module that allows for a comprehensive view and analysis of several absolute risk, relative risk, downside risk, and risk-adjusted return metrics.

In addition, Axia’s sophisticated payments transaction types support Family Offices’ and Wealth Management firms’ operations for outgoing funds transfers, with workflows setup for internal approvals and automatic generation of relevant bank instructions forms. Incoming funds transfer transactions are also supported.

Last but not least, in the new release, additional Custodian Bank’s interfaces have been added that allow for transactions’ and outstanding positions’ reconciliation with international banks, thus saving substantial time and resources while streamlining the firms’ operations. The interfaces are implemented either through Bank-proprietary file formats, or through SWIFT-based message files, using Axia’s easily adaptable and robust integration layer.

Axia’s out-of-the-box, pre-configured solutions for Wealth Management firms and Family Offices include ready-to-use in-built reports, an easy to use “getting started” tutorial, as well as setup wizards and an online context-sensitive help that provide for an easy and quick setup including initial data uploading.

The enhanced and new Axia end-to-end functionalities enable users to support specialised and advanced operations with agility, provide more connectivity and cooperation facilities with Banks, while they offer an improved and optimised setup process.

Profile launches RiskAvert, the Risk Management solution for regulatory capital calculations and reporting

Profile, announced the launch of **RiskAvert** its advanced regulatory capital calculation and reporting platform.

RiskAvert is a comprehensive Basel II/III solution addressing the calculation, group consolidation and reporting of credit, market and operation risk. Built on the latest widely used technologies, ensures seamless integration of the Financial Institutions' data sources, scalability and unique user experience.

The solution is designed to accommodate the ever growing pressure on FI to produce accurate and timely regulatory reports, while delivering streamlined processes and greater risk insight. Its sophisticated credit risk engine measures and reports on regulatory credit risk capital under all approaches, thus allowing the Bank to evolve from the Standardised towards the IRB approaches. Also, its highly effective and customisable CRM Allocation engine enables the optimisation of Credit Risk Mitigants for minimising capital requirements.

Supervisory review and multi-dimensional what-if analysis, applying sensitivity shocks and scenario analysis through idiosyncratic, systemic and combined approaches are effectively accommodated through its holistic stress testing framework and the extensive concentration risk measures calculation and reporting. MIS tools inbuilt to the system allow for delivering a wide range of reports for concentration risk, covering the majority of Market Discipline Disclosure, and also provide the ability for creating unlimited regular and ad hoc MIS reports.

The solution fully encompasses the EU-CRD framework, as well as other Basel flavours. All regulatory parameters are auditable and alternatives that drive the calculations are user-configurable. Several national discretion possibilities are coming of-the-box including regulatory reporting templates for several jurisdictions. Special tools are provided for the management and authorised, auditable changes on risk data and on regulatory reports are also available.

RiskAvert has been developed based on the many years of experience of Profile's team in implementing similar projects in numerous international Banks, while offering an open architecture and a powerful regulatory and risk MIS reporting engine.

FMS.next Alternative Finance platform enhanced with more FinTech functionality

Profile announced the latest upgrade in FMS.next Alternative Finance platform, to offer enhanced capabilities for "Auto-investing" that further boost the marketplace lending processes.

FMS.next Alternative Finance, the advanced financing platform of Profile Software, utilises FMS.next's core functionality addressing the needs of Lenders and Borrowers in a single and integrated environment. Coupled with Profile's 26+ years investment management experience, it delivers a FinTech approach to modern industry concerns, covering the full range of digital banking, crowdfunding, P2P lending, etc.

The auto-investing functionality automates the funding process matching the investment profile and preference of the Investor with existing opportunities, this way reducing time and effort needed to manually invest in the marketplace. Moreover, it guarantees that portfolio and risk diversification are performed based on provided criteria in a controlled environment, where the investor defines the appropriate, personalised risk tolerance and investment limits, ensuring transparency in making the investor aware of the process.

The solution offers Investors the option to define auto-bidding rules through a set of filters and preferences. By enabling this option, results in the platform to automatically place bids on opportunities matching the defined investment profile.

Investors may select to invest in different types of loans, different segments (e.g. business loans, retail, property and other), setup their risk and exposure limits per loan, currency and many other criteria. The available functionality, combined with the existing online Marketplace Lending technology, provides Investors with a complete investment environment to both manually select prospects to fund and instruct the platform to do so on their behalf.

Utilising FMS.next's banking functionality all transactions are fully monitored and controlled by a powerful back office to deliver the necessary information and reporting to management and to ensure regulatory compliance.

Axia: Advisory service capabilities enhanced, MiFID II-ready

Profile, announced the enrichment of Axia, its leading web-based platform for wealth management across all service lines, with new advisory service capabilities in light of the forthcoming MiFID II regulation.

Axia is the next generation in web-based, omni-channel solutions for the wealth management industry and can be effectively deployed either on-premises or in a secure private cloud environment, depending on the organisation's preferences. It already counts successful implementations, having enthusiastic market recognition due to its elegant design, practical and industry-specific functionality as well as its customisable look and feel.

Axia has been continuously enriched to accommodate new functionality across various wealth management services. The latest addition includes new features that enhance advisory services. Specifically, advisory services apart from client onboarding, financial planning, client classification and profiling questionnaires (KYC, appropriateness, suitability), required documents collection and renewal, regular client reporting, notification and secure messaging, now also provide enhanced investment proposals with additional comparison and simulation capabilities, rebalancing, automated recommendations, interactive self-service investment proposal options, ex-post and ex-ante costs analysis, risk assessment and action plan formulation. In addition, investment strategies allow the definition of multi-dimensional model portfolios and tactical asset allocations that can group (if needed) a number of financial products.

Furthermore, Axia incorporates a set of other functions that have been enriched and relate to charges management, portfolio risk analytics, SWIFT interface, integration with numerous major international banks as well as rule-based alerts, to name a few.

The platform with only a couple of years in the market enjoys an exponentially increasing number of implementations that range from front-end only use to end-to-end solution deployment, effectively covering the needs of the Wealth / Asset Management and Family Office businesses.

Acumen-net: a turnkey front-to-back treasury solution enhanced with powerful capabilities

Profile announced the release of the enhanced Acumen^{net}, the leading comprehensive treasury management solution by Login SA, a Profile Company, with powerful Front-to-Back Office and Risk Controlling capabilities, wide instrument coverage and high level of automation.

Acumen^{net} is a fully integrated web-based Front-to-Back Office and Accounting platform covering all financial markets transactions, such as money market, forex, collateral deals, securities, interest, currency and asset swaps, equities, futures and FRA, OTC and exchange-traded options, credit linked instruments, commodities and Islamic deals. It can easily integrate with any back-end Core Banking or General Ledger System to deliver a Straight Through Processing (STP) experience. The solution already has successful implementations across 15 countries, due to its open architecture, modular approach and standardised interface tool kit that allows efficient integration with the Bank's existing systems.

Acumen^{net} has been enriched with powerful capabilities, addressing the challenging and evolving needs of Treasury departments and their clients in a single and integrated environment. Acumen^{net} includes an advanced user interface, seamless deal flow through the various stages of deal life cycle with all necessary security checks (limit break authorisation, deal validation and authorisation), real time updates for all types of deals and branch deals that allow continuous calculation of Position (Currency Position, Gap Analysis), P&L, Limits (Regulatory Ratios, Credit and Settlement Risk), Risk Analysis (VaR, Sensitivities) and full STP with intermediate checking points (acceptance, validation of deal).

The latest version includes SWIFT automatically generated messages (confirmations, payments, etc.) that eliminate double inputs and thus increase productivity, as well as advanced Reporting functionalities, allowing fully customisable reports with synthetic views of Valuations and Analytics (P&L, Duration, Sensitivity, Volumes, etc.) across time, clients, portfolios, branches or departments and with user-definable drill-downs where required.

Furthermore, user-defined blotters are available to monitor dealing activity for the Traders, the Middle and Back Office users, allowing them to customise screens and report information, whereas supervision blotters enable to direct transactions towards designated users for further processing, filtering per type of instrument and per deal status. Acumen^{net} also incorporates multiple advanced customisable monitoring and management tools to analyse the profitability of activities, in regards to market, liquidity, operational risk and regulatory rules. The back office functionality includes paperless transfer of trades, automated printouts of deal slips and tailor-made reports, such as maturity diaries or fixing resets, offering a high level of security.

Acumen^{net} brings great benefits to financial institutions, enabling them to achieve efficiency across operations, by automating the entire cycle of treasury and investment process in real time and in accordance with global standards. Acumen^{net} is an ideal sophisticated, flexible and cost-effective treasury solution that can be deployed in a single platform, delivering value-added treasury services that drive growth and profitability.

2. Significant International Distinctions and Important Implementations

- **<u>Significant Distinctions</u>**

Partnership with BBA (UK)

Profile, announced its recent partnership with the British Bankers' Association (BBA), aiming at further establishing its presence in the local banking financial sector.

Following another membership enrollment at a large association for the investment industry in the country, the partnership with BBA will allow Profile to better serve the financial services industry with innovative and market leading platforms. In particular, for the UK banking industry, Profile Software has a ready to use banking system that allows start-up, challenger, digital and large banks to deploy the functionality needed, while experiencing unique flexibility.

By becoming an associate member, BBA provides access to a network of 200+ member banks operating across the country and in various product lines. In addition, BBA is a starting point for any new banking organisation that wants to develop its digital and networking presence in the country. This is also in line with Profile's strategic approach to the industry, as its fintech solutions provide a flexible and tailored service, thus giving the peace of mind to the banks to develop their operations, while deploying cutting edge technology solutions that can be scaled to the business needs.

Jason Cole, Commercial Director at the BBA, said: *"We are very pleased to welcome Profile Software as an associate member. We are in discussions with the firm for many years and we follow their progress, as they deliver specialised banking and investment management software to the banking sector with great success*

Profile Software shortlisted in 4 categories in the Swiss WealthBriefing Awards

Profile, announced it has been shortlisted n the Swiss WealthBriefing Awards 2018, under the categories of "Portfolio Management", "Risk Profiling Solution", "Onboarding", "Innovative Client Solution", once again. Such distinctions support Profile's focus on and commitment to developing innovative wealth management platforms that add real value to the financial institutions' mission-critical operations.

In particular, Profile's wealth management solutions (Axia and IMSplus) have been enriched with functionality to meet the evolving industry requirements for MiFID II compliance, as well as supporting robo-advisor, SaaS and potentially GDPR requirements.

The solutions provide client onboarding, financial planning and digital-investing functionality, to name a few, ranging from client classification, questionnaires, reports, storage, investment proposals, risk profiling and assessment to action plans and proposals. They cater for cloud-based, omni-channel requirements being readily available to be deployed as a whole or as a part of larger platform utilising a SaaS approach for faster, cost effective whilst secure access.

They deliver automation, flexibility and scalability depending on the organisation whether being a Fintech provider or an established private bank.

According to ClearView Financial Media, the organizer of the WealthBriefing Awards: "The firms who have been shortlisted in these awards are all worthy competitors, and are judged on the basis of entrants' submissions and their response to a number of specific questions, which had to be answered focusing on the client experience, not quantitative performance metrics. That is a unique, and compelling feature. These awards recognise the very best operators in the private client industry, with 'independence', 'integrity' and 'genuine insight' the watchwords of the judging process - such that the awards truly reflect excellence in wealth management."

For Profile Software every distinction of its product range further supports its investment on building and enhancing its functionality to meet international standards as well as country specific requirements, to deliver competitive user experience across the board.

The awards ceremony for the Swiss WealthBriefing awards will take place at the Hotel President Wilson, in Geneva on 8 February 2018

Profile is recognised for industry leading performance and product innovation

Profile, announced its latest international recognitions received by well-established industry research organisations and publications, within the financial services sector, deriving from its commitment to offering top quality services and to developing truly innovative and flexible client-centric FinTech solutions.

Over the first half of 2017, the company and its products have been awarded and nominated while being included in industry leading studies, due to their rich functionality. It is worth mentioning that Profile's wealth management solutions were featured in the Gartner's recent report entitled "The Asset Management CIO's Guide to Portfolio Management Systems" that evaluated Portfolio Management Systems (PMS) functionality and vendors.

The most recent distinctions given to Profile Software for its excellence in delivering reliable and robust Banking and Investment Management solutions that improve organisations' operational performance include among others:

> "2017 Technology Innovator Awards - Best International Financial Software Provider - London & CV Innovation Award: Mobile Wealth Management App", "Best for Innovative Use of Technology 2017" by the Corporate Vision publication
> "Most Innovative Wealth Management Software Provider 2017", "Best Family Office Platform 2017: Axia" by Wealth & Finance International publication
> "Wealth Management Software 2017" by the Global Fund Awards
> "FinTech Provider of the Year 2017" - UAE Business Awards" by the MEA Markets magazine

Furthermore, Profile was nominated in the following categories:

> "Front Office solution", "Portfolio Management", "Client Communications", Risk Profiling Solution", "Onboarding", "Innovative Client Solution" and "Innovative Fintech Solution" by the WealthBriefing GCC Awards 2017
> "Top 25 FinTech Companies 2017" by the APAC CIOoutlook magazine
> "Top 10 APAC Enterprise Risk Management Companies 2017" by the CIOAdvisor magazine
> "Top 25 Corporate Finance Solution Providers 2017" and "Top 25 Banking Tech Solution Providers in the Middle East 2017" by the CIO Applications magazine
> "Top 10 Core Banking Technology Solution Providers 2017" by the Banking CIO Outlook
> "Top 10 Best Banking Technology Solution Providers of 2017" by the Industry Era magazine
> "20 Most Promising Payment and Card Solution Providers 2017", "20 Most Promising Risk Management Solution Providers 2017" by the CIOReview publication

Profile Software continuously invests in its products capabilities, providing market-advanced, client-centric solutions developed under the highest standards. Clients receive continuous support throughout so that the platforms utilised meet and exceed their evolving needs, enabling them to enhance their competitive advantage.

- **Important Implementations**

Profile Software & Login SA join forces to deliver a truly international banking platform

Profile Software, the leading financial solutions provider, announced today the acquisition of Login SA, an international Treasury specialized provider. Profile Software has reached an agreement to acquire 100% of Login SA. The transaction was agreed with the acquisition of the majority of the shares on 6 July 2017, and will conclude in 2018.

Founded in 1988, Login SA (www.login-sa.com) is based in Paris, France, and specializes in developing financial treasury software. Through its Acumen^{net} platform, Login is serving front-office, trading, risk management, middle and back office requirements of Banks' Treasury Departments. The product covers a wide range of asset classes that include, among others, Forex and Money Market instruments, Exchanged Traded and OTC derivatives as well as Securities and Commodities. Login SA has a loyal clientele in 16 countries in Europe, Africa, the Middle East, Asia and America.

In addition, Profile Software and Login SA have an already established partnership, with Acumen^{net} being successfully integrated with FMS.next, Profile's banking platform and utilized at client sites.

Babis Stasinopoulos, Profile's CEO stated: "We are extremely happy with the acquisition of Login SA. We believe that the range of our available solutions is significantly enriched with specialized know-how and new functional capabilities, allowing us to address new market segments. This acquisition further emphasizes our company's commitment to achieving strategic international expansion, strengthening our presence in key financial centers and moving to the new era of banking and fintech."

Marc Beaulande, Login SA's Executive Director stated: "After having worked together as partners over the past couple of years, we have found a lot of synergy, common approaches and market views between Profile Software and Login SA and we are therefore very happy with this strategic acquisition. It will allow our company to even better serve our existing clients and to expand our client base. Acumen^{net} platform will deliver additional functionalities and will address new market segments."

ADNIC has gone live with IMSplus to manage their insurance investment operations

Profile announced that Abu Dhabi National Insurance Company (ADNIC) in the UAE, one of the leading regional multi-line insurance providers for corporates and individuals, is using the IMSplus Insurance Investment Management solution to achieve operational efficiency of its investment management operations.

Following ADNIC's vendor selection process, Profile Software was appointed as the vendor of choice. With highly flexible and functionality-rich features, IMSplus is Profile Software's leading investment management platform that is being used by many international insurance firms, across multiple locations. It offers an easily customisable solution that caters to current and future business needs. The platform enables users to comply with local and international markets, automate processes and efficiently manage back office investment management operations.

IMSplus offers a wealth of benefits to ADNIC through flexible and multi-level analysis features. ADNIC uses IMSplus to monitor sector and asset class exposures of its invested assets. The system's reporting capabilities allow investment managers to perform comprehensive analyses of the company's invested assets (cash, fixed term deposits, equities, bonds, funds, private equity and real estate) and performance. ADNIC also benefits from the quality and timely production of reports (for regulatory and management purposes) as well as the overall process automation, while reducing costs, increasing productivity and achieving greater efficiency across operations.

ADNIC's selection of IMSplus expands Profile Software's Insurance client portfolio and reaffirms its expertise in delivering competitive investment management solutions to the insurance industry. IMSplus is used by a range of regional and international insurance firms offering integrated services and contributing to their operational excellence.

Dolfin goes live with Profile's Wealth Management solution

Profile announced that Dolfin, a London-based investment firm, is managing its asset management operation with Profile's award-winning platform, enabling a fully automated operational environment.

Founded in 2013, Dolfin is technology-savvy, independent, with a fresh approach. Providing custody, trading and asset management to both institutional and private clients, its focus is on helping wealth managers, private bankers and other financial advisers to start and grow their own business by sharing its infrastructure and services.

Dolfin, following a thorough vendor assessment process, selected and implemented IMSplus and Axia as its end-to-end core wealth management platform, which replaced the existing platform, in order to experience flexibility and rich functionality while utilising the new technology to maximise agility in its own operations. The new platform aligns with the organisation's objectives, making its infrastructure robust and scalable.

The Solution enables Dolfin to streamline trading, settlement and accounting processes (STP utilising SWIFT & FIX connectivity), API connectivity to external sources and utilise tools for performance & risk analysis, regulatory compliance and reporting throughout the business.

Amir Nabi, COO at Dolfin commented "Our aim is to offer our clients investment expertise with digital agility so it's crucial that our infrastructure and technology are first-rate. In selecting third party providers, we look for the best of breed. We're happy to be working with Profile Software".

Profile's CEO, Babis Stasinopoulos remarked "It is a privilege to work with Dolfin, a financial services firm that is enthusiastic to utilise the available digital tools to accelerate their clients' and partners' experience beyond traditional wealth management operations. The flexibility and modern technology available in our platforms, is expected to add real value to their operations".

Investing in delivering reliable and functionality rich platforms that adhere to country specific regulations and client-centric requirements, Profile's wealth management solutions support easy integration, automation, and business agility.

RiskAvert, by Profile, went live at a major banking group in SE Europe

Profile, announced the successful implementation of RiskAvert, its advanced regulatory capital calculation and reporting platform, at a Major Banking Group in SE Europe. The bank has a dynamic presence in 7 countries and more than 15,000 employees.

The bank selected RiskAvert to address its requirements for the calculation, group consolidation and reporting of credit risk. Built on the latest technologies, RiskAvert achieves seamless integration of the Financial Institution's data sources, while at the same time remains scalable and ensures unique user experience.

The solution effectively assists the banking group in the accommodation of the ever growing pressure on producing accurate and timely regulatory reports, while delivering streamlined processes and greater risk insights. Its sophisticated calculation engine measures regulatory capital requirements under all approaches, while its highly effective and customisable CRM Allocation engine ensures optimal use of collaterals and guarantees for minimising risk weighted assets.

Supervisory review and multi-dimensional what-if analysis, applying sensitivity shocks and scenario analysis through idiosyncratic, systemic and combined approaches are efficiently accommodated via its holistic stress testing framework, as well as the extensive concentration risk measures calculation and reporting. RiskAvert's OLAP and report distribution tools enable users to easily retrieve detailed or aggregated information on the calculations using a rich collection of built-in reports, or own custom reports.

The solution fully encompasses the EU-CRD framework, as well as other Basel aspects. All regulatory parameters are auditable and alternatives that drive the calculations are user-configurable. RiskAvert has been developed based on the many years of experience of Profile's team in implementing similar projects in numerous international Banks, while offering an open architecture and a powerful regulatory and risk MIS reporting engine.

Acumen^{net}: a comprehensive Treasury solution fully integrated with FMS.next at Ditto Bank, France

Profile announced the successful go live of Ditto Bank, powered by Banque Travelex S.A., a Paris-based company. Ditto Bank, a differentiated digital bank, apart from managing their core banking operations via FMS.next, also utilise the Treasury functionality of Acumen^{net} by Login SA, a Profile company, providing an integrated platform.

Profile, heading a consortium of companies, is efficiently managing all banking, treasury, CRM and payments operations of the newly launched France-based digital bank. Ditto Bank is based on Banque Travelex SA, which is regulated by the French bank regulator Autorité de contrôle prudentiel et de résolution (APCR). It is inviting users to join its waiting list, and for its pre-launch phase, clients with a postal address in France are able to participate. Ditto Bank is aspiring to become the world's first truly global bank designed for frequent travelers, aiming at expanding in 15 countries.

Acumen^{net} covers the Bank's Treasury Front - Middle office and Risk management operations. Through its modular design and modern technology, Acumen^{net} allows easy scalability as the organisation grows and diversifies. Acumen^{net} is a customisable solution, easy to implement and use. Integrated with FMS.next, Profile's Core Banking solution, it allows for fully STP front-to-back Operations.

Acumen^{net} accommodates Ditto Bank's treasury operations as well as the forex position, liquidity and risk across financial markets monitoring. The platform enables real-time update of prices, positions and limits checks. Front-end blotters reflect the work of each individual user. Arbitrage solvers and calculators complement cutting-edge pricing methodologies. Dealers are able to customise their monitoring screens.

The Treasury department of Ditto Bank also experiences analyses that can be produced on cross-portfolios, such as P&L, hedging, sensitivity, and duration. They benefit from a high level of automation in daily tasks. Supervision blotters enable them to direct transactions towards designated users for further processing, filtering per type of instrument and per deal status.

Ditto Bank's back office benefits from paperless transfer of trades, automated printouts of deal slips and tailor-made reports, such as maturity diaries or fixing resets with a high level of security. With the utilisation of these tools the whole process is streamlined including confirmations, accounting, settlements, amendments, cancellations, revaluations, etc.

FMS.next with Acumen^{net} delivers tighter control and monitoring of all transactions, a quick and efficient access to all data and reporting for the Management while ensuring regulatory compliance. Acumen^{net} is also available to be utilised as a stand-alone platform that can easily integrate with any back-end and accounting platform

"MuniFin" in Helsinki is successfully advancing its competitive offering with Acumen Treasury platform

Profile, announced the successful utilisation of Acumen, the independent treasury solution by Login SA, a Profile company, at Municipality Finance / Kuntarahoitus ("MuniFin") based in Helsinki, Finland, to effectively manage and automate their operations.

With a total balance sheet of 34bn euros MuniFin, is the second largest credit institution in Finland and the only lender focused on the financing and financial risk management of the municipal sector and non-profit housing companies. MuniFin's main activity is to issue bonds on the international capital markets at the lowest cost using its AA+ rating, then swap the bonds with international banks to hedge the risk, and finally offer loans at low interest rate to Finnish municipalities for various types of local and regional projects.

For the past 20 years, MuniFin has grown rapidly and issued an increasing number of bonds annually, offering its customers clear and easily understandable financing solutions that meet their specific needs. MuniFin is successfully utilising Acumen to comprehensively manage deal capture, pricing, middle-office, reporting, collateral management, back-office and risk management processes. Acumen is a flexible and truly open system, with state-of-the-art interfaces; it can integrate with numerous systems and pricing platforms to import real time rates and deals.

In terms of instruments, the full scope of financial products are covered, so that includes multiple types of securities (plain vanilla to very structured one's, inflation linked, FX linked, equity linked, index linked, etc.), interest and cross currency swaps perfectly matching the corresponding bond issue, structured loans, futures, options, money market and FX deals.

Esa Kallio, interim President and CEO and Head of Capital Markets at MuniFin states: "Thanks to Acumen's flexibility and the timely support of Login's teams, MuniFin can adapt very quickly to the new market requirements. MuniFin is able to provide competitive services and propose to the market the complex structures it is looking at".

Login SA and Profile Software are currently working with MuniFin, to implement interfaces with its new chosen back-office system. Interfaces have been designed to maximise Straight Through Processing. Static data, rates, deals and valuations are extracted from the system. The project has been scheduled to take place in four stages. Login's team and the client, are successfully co-operating to efficiently manage this critical implementation project.

Profile Software along with Login SA are continuously investing in delivering advanced and reliable treasury solutions that provide operational excellence and transparency, while increasing revenue and lower costs for both the Banks and Corporations, operating within a demanding environment.

The Group CNP Cyprus Insurance Holdings Ltd selected IMSplus for their insurance investment management operations

Profile announced that CNP Cyprus Insurance Holdings (CNP Cyprus) has selected the IMSplus solution to deploy, so as to effectively manage its assets and fund management requirements and achieve operational efficiency.

CNP Cyprus is one of the largest and strongest Insurance Groups in Cyprus and its subsidiaries, CNP Cyprialife Ltd offering Life, Health and Accident insurance business and CNP Asfalistiki Ltd offering General insurance business, are both leaders in their respective sectors. Key Important factors for this success have been the constant use of modern technology, the wide network of Insurance Intermediaries and Agents all over Cyprus and the provision of integrated and innovative insurance products, which fully cover the insurance needs of every individual and business.

CNP Cyprus selected IMSplus due to its flexible, customisable and functionality-rich environment. The insurance investment management functionality inherent in the IMSplus platform has been widely recognised by the industry, based on the number and diversity of implementations. Following an international evaluation process, CNP Cyprus chose IMSplus to automate and streamline their investment management tasks from transactions to accounting entries and achieve risk efficient operations.

IMSplus for Insurance Investment Management provides comprehensive portfolio structure definitions and multi-level analysis features that will enable CNP Cyprus to easily monitor the invested financial assets, while complying with the policies set by the Group.

The system's customisable reporting will support the respective demanding requirements and along with the specialised asset management tools and the wide support of financial metrics, will allow investment officers to perform comprehensive gain/loss and risk exposure analysis on the company's investment products (including cash & term deposits, equities, bonds and mutual funds), while being able to provide instant cash flow projections. IMSplus by automating reporting and data exports of the investment's accounting entries will reduce the manual tasks of internal accounting requirements.

CNP Cyprus selection emphasises the expertise Profile Software has in the insurance market, for delivering advanced and easy to use platform in the demanding investment management domain.

3. International events in which the group participated

Profile Software in the Middle East Wealth Management Forum in Dubai, supporting its operations in MENA

Profile announced its sponsorship of the Middle East Wealth Management Forum organized by Hubbis, taking place on the 24th of January at the Ritz Carlton, DIFC in Dubai, UAE. Profile's executives will demonstrate the client centric and innovative platforms that address the Wealth Management industry requirements.

Profile supports thought provoking industry leading events for the Wealth Management domain to further enhance its regional operations. In the Middle East Wealth Management Forum, Profile is taking part in the panel discussion entitled "Are we ripe for disruption?" with its Global Sales Director to discuss the contribution of technology in the wealth management industry, the use of fintech tools, alternative collaboration options and importance of client experience.

Furthermore, at the Profile stand, professional delegates will be able to discuss and take a snapshot of the company's cutting-edge and newly launched technology platforms that enable fast and accurate performance, enhance client experience and business agility. These solutions include:

> **IMSplus**: the award-winning investment management platform that comprehensively and modularly cover the areas of Wealth Management, Asset and Fund Management, and Insurance Investment Management.

> **Axia**: the web-based omni-channel solution for wealth management and family office offering a rich set of functionality and various deployment options. It incorporates a client onboarding solution to meet industry needs for agile operations.

> **FMS.next**: a comprehensive banking platform effectively covering Core and Islamic Banking requirements, as well as P2P Lending with a successful track record.

Hubbis events are attended by senior management of major banking and financial institutions, and more. This event is for anyone servicing wealthy clients – including Retail Banks, Private Banks, IFAs, Family Offices, Insurance Companies, and other Independent Wealth Management Firms.

The agenda will address some of the challenging issues to developing a profitable business with a value proposition that makes sense in today's environment. These may include: client engagement, robo-advisers and fintechs, evolving the IFA proposition – what's the real potential in the Middle East, transparency, next generation HNWIs' expectations.

Profile Software supports the Middle East Conference and Exhibition in Abu Dhabi

Profile announced its participation in the annual Middle East Financial Technology Conference and Exhibition - MEFTECH that is taking place on the 13th and 14th March 2017 at the Abu Dhabi National Exhibition Center, in the UAE.

Profile Software exhibits in the event, showcasing at stand number D5 its client centric, innovative and advanced solutions that address the Banking and Investment Management industry’s needs, namely:

FMS.next: a comprehensive banking platform that effectively covers Core and Islamic Banking requirements, as well as P2P Lending with a successful track record of international implementation.

IMSplus: the award-winning investment management platform that comprehensively and modularly covers the areas of Wealth Management, Asset and Fund Management, and Insurance Investment Management.

Axia: the web-based omni-channel solution for wealth management and family office that offers a rich set of functionality and various deployment options.

In addition, Profile’s executives will provide professional delegates with insights on how technology can enable business agility and enhance client experience, while utilising the company’s cutting-edge and flexible platforms to better manage their operations.

MEFTECH is the largest and most prestigious event that convenes the entire financial technology community from across the Middle East and North Africa (MENA) region, where top decision-makers share insights with technology providers and collaborate to rethink financial services. This year MEFTECH features a new-look conference with a mix of keynotes, case studies and live demos, presenting insights and inspiration from the industry’s top minds.

Profile showcasing digital banking capabilities at the 22nd Banking Forum 2017

Profile announced its sponsorship of the 22nd Banking Forum, taking place on 3rd and 4th May 2017 at the Royal Olympic Hotel in Athens (17:00-21:00 and 09:30-16:45, respectively) to showcase its pioneering and advanced FinTech offerings that fully address the Banking and Investment Management industry’s requirements.

During the second day of the Forum and at the fourth session entitled "FinTech Firms. The new competitors and banks response", on Thursday 4th May 2017, at 11:30 Profile Software will present "A Digital Window of Opportunity" that will elaborate on business cases from implementing a banking platform in modern digital banks abroad and how they utilise new technologies to accelerate their business. The presentation will be delivered by Dr. Theodore N. Krintas, Vice President at Profile. The Forum is attended by Directors and C-level executives from the financial industry, who want to streamline their operations and excel in their services, by utilising modern software systems.

Furthermore, professional delegates will have the opportunity to discuss with the company’s executives at the Profile stand about the new developments of its leading and award-winning platforms for the Banking, Investment Management and Alternative Finance industry, as well as the modular solutions that address specialised needs.

The 22nd Banking Forum is organised by the Hellenic Management Association and aims to develop Banks’ business horizons to achieve efficiency and value with the use of technology across the European banking sector.

Profile Software in the annual PATRIMONIA 2017, the wealth management conference, in Lyon, France

Profile, announced its participation in the annual **PATRIMONIA 2017** that is taking place on the **28th** and **29th September 2017** at the **Centre de Congrès de Lyon** in Lyon, France.

Following the successful and growing presence and strategic investment in the French market as a result of the recent banking implementation (Ditto Bank by Travelex), new project assignments, personnel expansion as well as the recent treasury software acquisition (Login SA), Profile Software will be supporting its operations by showcasing in this event its innovative range of solutions for the financial services industry at stand number **K46 (Hall 2)**:

> **IMSplus & Axia**: the award-winning investment management platforms for advanced Wealth Management, Asset and Fund Management, Insurance Investment Management, Family Office, Personal Banking and Custody. Axia is a pioneering omni-channel platform for the sector delivering a competitive user experience.

> **FMS.next**: a specialised Universal Banking system including Core/Digital Banking, Marketplace Lending/Crowdfunding and more.

> **AcumenNet**: the comprehensive front-to-back office treasury platform, covering all financial instruments including very complex structures.

> **RiskAvert**: the complete, modern and efficient Risk Management and Regulatory Compliance solution for Credit, Market and Operational Risk.

The solutions can be customised and accessed from any device by both the professional users and their clients.

In addition, Profile Software's experts will provide insights on how modern financial institutions can align their business and IT strategies while ensuring business agility to respond to the ever-changing market conditions.

Patrimonia is the annual meeting of independent wealth management advisors, private banking managers, life insurance brokers, notaries and accountants. This year the event focuses on the digital, regulatory and heritage regulatory challenges of tomorrow. During the event, there is a conference being held around the new world order and the new economic models, as well as the new: Patrimonia Academy, an area devoted to the consulting business.

6. Annual Ordinary General Meeting of Shareholders of the Company

On May 12, 2017, the Annual Ordinary General Meeting of Shareholders was held at the company's headquarters (Nea Smyrni Attica, Syngrou Avenue, no. 199), in which shareholders attended in person or represented, representing 7,041,005 common registered shares and an equal number Voting rights, namely 59.61% 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 2016 (01.01.2016-31.12.2016) 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 April 7th, 2017 and the Audit Report of the Auditor-Accountant of the Company Mr. Konstantinos I. Roussou regarding the annual Financial Statements for the fiscal year 2016.

• On the third issue, it unanimously approved the distribution (distribution) of the results for the year ending 31.12.2016 and in particular approved the non-distribution of any dividend to the shareholders of the Company from the results for the year 2016 (01.01.2016- 31.12.2016).

• 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 2016 (01.01.2016 -31.12.2016), 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 "SOL SA-COOPERATIVE CERTIFIED ACCOUNTANTS SA" for the auditing of the Company's annual and six-month financial statements (Separate and Consolidated) for the fiscal year 2017 (01.01.2017-31.12.2017)) And in particular Mr. Konstantinos Roussos of Ioannis (SOEL Re. 16801) as the Certified Auditor and Mr. Panagiotis Korovessis of Ioannis (SOEL Re. 16071) as a secondary Certified Auditor. It shuld be noted that the aforementioned Audit Firm will also issue the annual tax certificate and the tax compliance report of the Company for the year 2017 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 2016, 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 2016 (01.01.2016-31.12.2016) 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 2017 (01.01.2017-31.12.2017) 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, 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 2016, 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 2016, 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 no modifications..

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" a project that is being implemented with absolute success. In the course of the year 2017, the aforementioned subsidiary paid all the financial facility received from the parent company.

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 2017, there was another special year for the Greek economy as political and economic developments were rapid and continuous. The capital controls
which remain valid until today, although the context is improving in the direction of alleviating them, are undoubtedly an important point of reference.

The Profile Group managed to increae 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 a direction in which the Group has consistently invested over recent years), the acquisition of Login in France
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	31.12.2017	31.12.2016	31.12.2015	2017-2016	2016-2015
Total Assets	37,121,263	37,021,625	29,890,596	0,27%	23,86%
Total Equity	18,154,447	17,274,730	16,688,498	5,09%	3,51%
Revenue	11,556,502	9,292,681	9,408,611	24,36%	(1,23)%
Gross Profit	5,772,323	4,135,276	4,071,155	39,59 %	1,57%
Profit before taxes	1,403,624	545,492	979,007	157,31%	(44,28)%
Profit net of taxes	1,023,458	593,586	893,621	72,42%	(33,57)%
EBITDA	3,930,452	2,817,097	2,841,421	39,52%	(0,86)%

Sales

The Group continued to develop, promote and distribute its own products in the closing year of 2017, even achieving a gross profit margin of 49.95% compared to 44.50% in the year 2016, which reflects the Group's dynamism and rewards the Company's strategic direction in the development and production of new reliable products with emphasis on innovation and state-of-the-art technology. Sales increased by 24.36%, while compared to the previous year, the increase is estimated to be quite significant. Profit after tax increased, to € 1,023 thousand from € 593 thousand in the prior year. It is noted that the acquired company Login SA consisted of € 1,522 thousand in the turnover of the Group and € 230 thousand in the Group's after-tax profits.

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	
	31.12.2017	**31.12.2016**	**31.12.2017**	**31.12.2016**
Asset Capitalization: (The index shows the proportion of funds allocated to fixed assets)	39,23%	37,77%	41,91%	40,19%
Equity/ Fixed Assets: (The indicator shows the capital structure)	1,25	1,24	1,41	1,37
Days in Receivable Ratio: (The index depicts the days required to collect receivables from customers)	215	248	241	165
Total Liabilities / Total Equity & Liabilities: (The index shows the debt dependency)	51,09%	53,34%	41,03%	45,05%
Equity / Total Equity & Liabilities: (The indicator shows debt dependency)	48,91%	46,66%	58,97%	54,95%
Loans / Equity: (The index shows what proportion of equity is the total of debt obligations)	28,73%	35,38%	32,27%	40,25%
Current Assets / Short-Term Liabilities: (The indicator shows the coverage ratio of short-term liabilities from assets readily available for assets)	1,85	1,90	1,98	1,78
Return on Assets: (The indicator shows net profit after tax as a percentage of assets)	2,76%	1,60%	(0,18)%	(0,73)%
Return on Equity: (The index reflects net profit after tax as a percentage of Equity)	5,64%	3,44%	(0,30%)	(1,32%)
Gross Profit Margin: (The indicator shows Gross Profit as a percentage of sales)	49,95%	44,50%	38,99%	25,31%
Net Profit Margin: (The indicator shows net profit after taxes and minority interests as a percentage of sales)	8,83%	6,04%	(0,60)%	(2,17)%

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	**31.12.2017**	**31.12.2016**	**31.12.2017**	**31.12.2016**
Operating results (Profit before tax, financial & investment results) (A)	1,923,437	765,836	307,957	(74,289)
Total Depreciation (B)	2,007,015	2,051,261	706,607	1,600,858
EBITDA (A) + (B) = (C)	**3,930,452**	**2,817,097**	**1,014,564**	**1,526,569**
Revenue (D)	11,556,502	9,292,681	7,359,298	9,038,394
EBITDA margin (%) (C) / (D)	**34,01%**	**30,3%**	**13,8%**	**16,9%**

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.

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 22 and 25 of the financial statements presents 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.

8. Danger associated with the referendum held in the United Kingdom

The Group is active in the United Kingdom through both the parent company and the subsidiary "PROFILE SOFTWARE (UK) LTD". Following the referendum held in the United Kingdom on 23 June 2016 and the decision to withdraw from the European Union and considering that the terms and conditions on the basis of which the "exit" would not be fully clarified, only a few days ago the negotiators of both sides reached an agreement on the transitional period before the final Britain's "divorce" from the European Union at this time there can be no specific assessment of the risks, results, impact and possible impact of this on the commercial activity and the financial results of both the Group as well as the Company

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 2017 (01.01.2017-31.12.2017) 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 2017.

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 is under liquidation 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;
F) "PROFILE DIGITAL SERVICES SA", with headquarters in Nea Smyrni, Attica, in which the Company participates with 100% participation, and
(g) "LOGIN S.A.", with its registered office in France, in which the Cypriot subsidiary "PROFILE SYSTEMS & SOFTWARE (CYPRUS) LTD") participates with a participation of 78,35%. The acquisition of the company took place on July 6, 2017 and will be completed in order to acquire a 100% stake in the company in the year 2018. According to IFRS 3, the two arms of the transaction were considered as integral parts of the business combination the amount corresponding to the redemption of the remaining percentage up to 100% was accounted for as a possible consideration in the closed year.

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

(A) The amount of such transactions for the year 2017 (01.01.2017-31.12.2017),
(B) Their outstanding balance at the end of the year (31.12.2017);
(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:

	Sales		Purchases	
Related party transactions	**2017**	**2016**	**2017**	**2016**
GLOBAL SOFT SA	148,004	170,727	309,875	220,716
PROFILE SYSTEMS & SOFTWARE (CYPRUS) LTD	1,036,040	794,701	-	-
COMPUTER INTERNATIONAL FRANCHISE LTD	-	-	-	-
PROFILE SYSTEMS & SOFTWARE (SUISSE) SA	6,897	48,174	-	40,141
PROFILE SOFTWARE (UK) LTD	192,500	-	-	41,666
PROFILE DIGITAL SERVICES SA	1,433,229	3,150,882	-	-
LOGIN S.A.	-	-	54,040	-
Total	**2,816,670**	**4,164,484**	**363,915**	**302,523**

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

	Receivables		Payables	
Related party balances	**31.12.2017**	**31.12.2016**	**31.12.2017**	**31.12.2016**
GLOBAL SOFT SA	25,141	24,857	182,787	37,200
PROFILE SYSTEMS & SOFTWARE (CYPRUS) LTD	281,789	224,918	-	-
COMPUTER INTERNATIONAL FRANCHISE LTD	170,425	169,418	-	-
PROFILE SYSTEMS & SOFTWARE (SUISSE) SA	-	23,298	-	22,461
PROFILE SOFTWARE (UK) LTD	-	-	-	40,000
PROFILE DIGITAL SERVICES SA	52,047	1,393,600	-	-
LOGIN S.A.	-	-	152,977	-
Total	**529,402**	**1,836,091**	**335,764**	**99,661**

Transactions with associated natural persons as defined by International Accounting Standard 24 for the year ended 2017 are as follows:

Year end 2017:	**Group**	**Company**
Remuneration of directors and members of the Management	499,476	499,476

In addition to the above, it is noted that:

• There are no transactions with other parties related to the Company within the meaning of International Accounting Standard 24 other than the above.

•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 € 2.250 million from Profile under a tripartite contract with the Ministry of Justice. This project is implemented with absolute success by this subsidiary company

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.

"LOGIN S.A. ", located in France, in which the Cypriot subsidiary (" PROFILE SYSTEMS & SOFTWARE (CYPRUS) LTD ") participates with a participation percentage of 78,35%. The acquisition of the company took place on July 6, 2017 and will be completed at 100% in the year 2018. According to IFRS 3, the two strands of the transaction were considered as single parts of the business combination and the amount corresponding to the residual rate as a potential price was accounted for in the closed year.

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.

The Annual Ordinary General Meeting of the Company's shareholders on 16 June 2016 already decided, inter alia, to purchase the Company in accordance with the provisions of article 16 of Codified Law 2190/1920. 2190/1920 within twenty-four (24) months of the date of the decision, ie no later than 16.06.2018, a maximum of one million shares (1,000,000) which corresponds to less than 10% of the existing shares of the Company and in particular 8,47% of the Company's shares with a market price range of thirty cents (€ 0.30) per share (minimum) and four Euros € 4,00) per share (maximum), while the Board was authorized to properly implement this process.

The implementation / implementation of this program started on 31.01.2018 under the relevant decision of the Board of Directors dated 26.01.2018. Until the date of approval of the present Report (namely at the end of the meeting of the Extraordinary General Meeting of 13.4.2018), the Company has purchased 137,215 own common registered shares at an average purchase price of 1.0629 Euros per share, which correspond to 1.16% of the share capital. Furthermore, 49,155 treasury shares are held by a previous program and, consequently, the total number of treasury shares held by the Company at the aforementioned date amounts to a total of 186,370, corresponding to approximately 1.58% of its share capital.

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. As a result of the decision of the Annual General Meeting of Shareholders dated 16.06.2016, the Company has the power to purchase a maximum of 1,000,000 shares within a period of 24 months from the date of the decision and according to the provisions of article 16 of Codified Law 2190/1920. 2190/1920 framework, with a market price range of € 0.30 (threshold) and € 4.00 per share (maximum). Implementation / implementation of this program started on 31.01.2018 under its relevant decision of 26.01.2018. Board of Directors of the Company. The aforementioned plan is in progress and until the date of approval of this Report (following the meeting of the ATHEX on April 13, 2018), the Company has acquired 137,215 shares, at an average cost of Euro 1.0629, correspond to 1.16% of the share capital.
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 31.12.2017 employed 127 persons and the Company 87 persons respectively, compared to 95 and 74 persons employed on 31.12.2016.

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.

(a) policy of diversification and equal opportunities
Group Management does not discriminate in terms of recruitment, emoluments and promotions based on gender, race, religion, color, nationality, religious beliefs, age, marital status, sexual preferences, trade union membership, or any other characteristics. The only factors to be taken into account are the training, expertise, experience, efficiency and overall capabilities of the individual, while encouraging and recommending to all employees to respect the diversity of each employee, customer and supplier of the Group and not accept any conduct that may be discriminatory in any form.

(b) respect for workers' rights
The Group's management strictly enforces current labor legislation and respects the relevant provisions and provisions for child labor, human rights and the possibility of employee participation in trade union bodies.

(c) hygiene and safety at work
The protection of the health and safety of the employees is a top priority for Group Management, which systematically monitors and controls all risks that may arise from this activity and takes all necessary preventive measures to avoid accidents, while the total of employees attend training seminars on health and safety at work.
Group Management also ensures that the fire safety rules and contingency requirements are met and that personnel are trained in fire protection, firefighting, use of portable fire extinguishers, and preparedness exercises to prevent and respond to emergencies.

(d) training and development of workers
The business success of both the Group and the Company in particular is based on its people. The Company provides a stable work environment so that all employees are motivated to be productive and oriented to achieving optimum results, to take initiatives to the benefit of the corporate interest and to manage their personal development with zeal and integrity. Μέσω του Τμήματος Ανθρωπίνου Δυναμικού, η Διοίκηση της Εταιρίας διακρίνει τις ικανότητες των εργαζομένων και τους τοποθετεί σε θέσεις όπου θα συνεισφέρουν στο μέγιστο βαθμό και θα έχουν τη δυνατότητα να διακριθούν.

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.

The Group seeks to improve the overall behavior of its employees in terms of both environmental pollution prevention and recycling and environmental management issues and seeks to consolidate the concept of ecological sensitivity across the pyramid of workers.
In collaboration with "CLIMAKA", a non-profit organization that takes care of the socially weak, gathers and squeezes paper for recycling, an energy that not only contributes to environmental protection but also provides food and shelter to the homeless who are involved in recycling and collection.

Furthermore, the Company is an active supporter of Think Before Printing, including its logo on all of its electronic communications.

SECTION G
Preformance 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 2018 are directly related to the situation in the global economy and the market (π.χ. ακολουθούμενη πολιτική εκ μέρους των Η.Π.Α., μετά τις προεδρικές εκλογές, , η επικείμενη έξοδος του Ηνωμένου Βασιλείου από την Ευρωπαϊκή Ένωση, οι αναταράξεις που προκαλούνται από την επιδείνωση των διεθνών σχέσεων, η έξαρση της διεθνούς τρομοκρατίας, οι γεωπολιτικοί κίνδυνοι στη Συρία και την ευρύτερη Μέση Ανατολή, κλπ.),, although there is evidence that after a period of recession many years, there is a return to growth, an improvement in business operating conditions and an increase in business investment, and hope has been given that the end of budgetary surveillance may be a starting point for growth and a return to smoothness.

In any case, although developments can not be predicted with certainty and any assessment of the development and the course of activities and financial figures of the Group for the year 2018 would be precarious as the transaction activity has not been restored, The Group, having strengthened its extrovertness, will focus 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 France, Switzerland, England, United Arab Emirates,
(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, Acumen). 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.Through continuous market monitoring, the Company aims to develop new products and to upgrade and further develop the existing ones, aiming at better meeting the ever-changing market needs and adapting to customer requirements. Research and Development work is 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.
2. 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.
3. 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.
4. There are no other significant events that took place after the end of the year 2017 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.

Section A’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. in view of the extrovertness and systematic effort of internationalization of the Company, the possibility of immediate enlargement of this structure is examined, through the necessary amendments to the Company's Articles of Association.

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.

Section B

I.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.

Section C Remunarations

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.

Section D’
Relations with shareholders
I.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.

II.The General Meeting of Shareholders

- No substantial discrepancy was observed.

1.3 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.5 of the L/ 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.
E) informing the Board of Directors of the Company about the outcome of the statutory audit and explaining the contribution of the statutory audit to the integrity of the financial information and

F) active participation in the process of selecting the Chartered Auditors Accountants and in the drafting of a proposal regarding the Auditing Company which will be entrusted with the statutory audit of the financial statements

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 2017 (01.01.2017-31.12.2017) met three times.
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
6.1 Article 10 (1) of Directive 2004/25 / EC of the European Parliament and of the Council of 21 April 2004 on takeover bids provides for the following to companies whose securities are listed for trading: organized market

«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,
(j) any significant agreement to which the Company is a party and which becomes effective, amended or terminated in the event of a change in control of the company following a public takeover bid and the effects of that agreement unless, by its nature, disclosure would cause serious damage to the company. This exception does not apply when the company is expressly obliged to disclose similar information under other legal requirements,
(k) 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.
With regard to point h: 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. It is noted that according to the relevant decision of the Annual General Meeting of Shareholders dated 16.06.2016, the Board of Directors was granted the power to purchase from the Company in accordance with the provisions of article 16 of Codified Law 2190/1920. 2190/1920 within a period of twenty-four (24) months from the date of the decision, ie no later than 16.06.2018, a maximum of one million shares (1.000.000), corresponding to less than 10 % of existing shares of the Company and in particular 8,47% thereof, with a market price range of thirty cents (EUR 0,30) per share (minimum) and four (4,00) EUR per share (maximum) while at the same time the authorization was granted to the Board of Directors for the proper implementation of this procedure. The implementation / implementation of this program started on 31.01.2018 under the relevant decision of the Board of Directors dated 26.01.2018. Until the date of approval of this Report (after the ATHEX meeting on April 13, 2018), the The Company has purchased 137,215 own common registered shares at an average cost price of 1.0629 Euro per share, which correspond to 1.16% of the share capital (and which are related to the Company's own shares by previous program, raise the total share of own shares held by the Company to approximately 1.58%). It should be noted that the voting rights of the aforementioned shares are suspended and not exercised, as well as the shares in question are not included in the quorum export or participated in the distribution of the dividend.

Nea Smyrni, 17 April 2018
The Board of Directors of the Company

The Chairman of the Board of Directors
Charalampos Stasinopoulos

CHAPTER 3
INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of «PROFILE SA»

<u>Report on the Audit of the Separate and Consolidated Financial Statements</u>

Opinion

We have audited the separate and consolidated financial statements of the «PROFILE SA» ((the "Company") and subsidiaries (the "Group"), which comprise the separate and consolidated statements of financial position as at December 31, 2017, the separate and consolidated statements of comprehensive income/(loss), changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying separate and consolidated financial statements present fairly in all material respects the financial position of the Company and the Group as at December 31, 2017 and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as endorsed by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), as incorporated in the Greek Law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the separate and consolidated financial statements section of our report. We remained independent of the Company and the its subsidiaries throughout the period of our appointment in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), as incorporated in the Greek Law, together with the ethical requirements that are relevant to the audit of the separate and consolidated financial statements in Greece, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate and consolidated financial statements of the current period. These matters and the related risks of material misstatement, were addressed in the context of our audit of the separate and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1.Subsidiary Acquisition –Recognition on Intangible Assets and Goodwill

Key Audit Matter	**How our audit addressed the key audit matter**
As noted in Note 11 of the attached financial statements, during the year the Group acquired all the shares of the French IT company LOGIN S.A. The purchase of 78.35% of LOGIN S.A. and the remaining 21.65% was agreed in the redemption	Our audit procedures for the acquisition of a subsidiary and the recognition of intangible assets and goodwill include, but are not limited to: -We examined the redemption contract and assessed the fairness of accounting for the

contract with a simultaneous purchase and sale right, with a fixed price and a term of exercise of 9 months. The two strands of the transaction were considered as united parts of the business combination that took place at the acquisition date and accounted for 21.65% as a possible consideration under IFRS 3.

The degree of management's judgment in the valuation methodologies and the assumptions used and the data of that transaction in the models have determined the fair values of the assets acquired, such as intangible assets and goodwill. For these reasons, we consider this issue to be more important.

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transaction under IFRS 3 "Business Combinations".

-We have determined the correctness of the calculation of the recognized goodwill as the difference between the total acquisition price and the identifiable assets and liabilities assumed at fair value.

With regard to the recognition of intangible assets, we have examined the recognition criteria set out in IAS 38 "Intangible Assets".

-With the use of the expert expert of our company's network, we assessed the reasonable assumptions of the valuation models (projected cash flows, discount rates, useful life of intangible assets) and, more generally, the appropriateness of the methodology used to determine the fair value of the above-mentioned intangible assets.

-We also assessed the adequacy and appropriateness of the disclosures in note 11 of the financial statements.

2. Recoverability of trade receivables

Key audit matter

On 31.12.2017 the Group's trade receivables amounted to € 6.895 thousand (€ 6.399 thousand at 31.12.2016). These receivables include litigated and unquantifiable claims from a public sector body of € 2.150 thousand.

The management assesses the recoverability of the Group's trade receivables and estimates the required impairment for bad debts so that they are reflected in their recoverable amount.

In addition, the management assesses the estimated provision based on a targeted overview of customer accounts, taking into account its experience of current economic conditions, collateral and guarantees received, and the stage in which court cases related to the disputed claims are in place, mainly based on the opinion of its external legal advisors.

We consider that the assessment of the recoverability of the Group's trade receivables is one of the most important issues of control, on the one hand, because the trade receivables are a major element of the Assets and, on the other hand, due to the significant estimates and judgments of the Management.

Information on the Company's accounting policies for trade receivables are disclosed in

How our audit addressed the key audit matter

Our audit procedures for the recoverability of commercial claims included, among others:

- Understanding the process of monitoring the trade requirements and factors taken into account in estimating the provision for impairment.
- Assessing the management's assessment of the recoverability of trade receivables
- Examination of lawyers' reply letters to identify issues indicating remaining trade claims that may not be recoverable in the future.
- The opinion - assessment of the external legal advisers, as well as of the management regarding the disputed claims of the Company and the Group.
- Receiving confirmation letters from third parties for a representative sample of trade receivables and performing procedures after the date of the financial statements for receipts versus other end-of-year financial statements.
- Assessing the analysis of customer aging and the Company's estimate of the provision.
- We also assessed the adequacy and appropriateness of the disclosures in note 15 of the financial statements.

note 15 of the financial statements.

Other information

Management is responsible for the other information of the Annual Financial Report. The other information, include the Board of Directors Report for which reference is also made in the section Report on Other Legal and Regulatory Requirements, the Statements of the Members of the Board of Directors, and other complementary information, but does not include the separate and consolidated financial statements and our auditor’s report thereon.

Our opinion on the separate and consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the separate and consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the separate and consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the management and those charged with governance for the separate and consolidated financial statements

Management is responsible for the preparation and fair presentation of the separate and consolidated financial statements in accordance with International Financial Reporting Standards as endorsed by the European Union, and for such internal control as management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error..

In preparing the separate and consolidated financial statements, management is responsible for assessing the Company’s and the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. The Audit Committee (art. 44 L. 4449/2017) of the Company is responsible for overseeing the Company’s and the Group’s financial reporting process.

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

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

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

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

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

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

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

- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate and consolidated financial statements of the current period and are therefore the key audit matters

Report on Other Legal and Regulatory Requirements

1. Board of Directors' Report

Taking into consideration that management is responsible for the preparation of the Board of Directors' Report and Corporate Governance Statement that is included therein, according to the provisions of paragraph 5 article 2 of Law 4336/2015 (part B), we report that:

a) The Board of Directors' Report includes a Corporate Governance Statement that contains the information required by article 43bb of Codified Law 2190/1920.

b) In our opinion the Board of Directors' Report has been prepared in accordance with the legal requirements of articles 43a and 107A, and paragraph 1 (c and d) of article 43bb of the Codified Law 2190/1920 and the content of the Board of Directors' report is consistent with the accompanying separate and consolidated financial statements for the year ended December 31, 2017.

c) Based on the knowledge and understanding concerning the Company and the Group and their environment, gained during our audit, we have not identified information included in the Board of Directors' report that contains a material misstatement.

2. Additional Report to the Audit Committee

Our opinion on accompanying separate and consolidated financial statements is consistent with our Additional Report to the Audit Committee of the Company, in accordance with Article 11 of the EU Regulation 537/2014.

3. **Provision of Non-audit Services**

We have not provided any prohibited non-audit services per Article 5 of the EU Regulation 537/2014.

4. Appointment of the Auditor

We were first appointed as auditors of the Company by the General Assembly on June 30, 2005. Since then our appointment has been uninterruptedly renewed for a total period of 13 years based on the General Assembly decisions of each year.

Athens, 18 April 2018

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
SOEL Reg.No. 125

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

	NOTES	GROUP		COMPANY	
ASSETS		**31.12.2017**	**31.12.2016**	**31.12.2017**	**31.12.2016**
Non-current assets					
Tangible assets	10	6,051,045	6,508,943	4,649,534	4,776,463
Goodwill	11	1,452,159	764,809	-	-
Intangible assets	12	6,247,519	5,883,093	1,914,586	2,130,711
Investments in subsidiaries	13	-	-	3,431,834	3,431,834
Other non-current assets		50,413	7,264	4,034	6,510
Deferred tax assets	8	760,202	820,112	527,161	512,119
Total non-current assets		**14,561,338**	**13,984,221**	**10,527,149**	**10,857,637**
Current assets					
Inventories	14	187,928	308,317	157,175	277,565
Trade receivables	15	6,894,610	6,398,550	4,933,123	4,136,338
Other receivables	16	2,373,920	2,858,664	1,212,319	1,720,968
Advances from clients	16	18,393	62,934	11,988	13,047
Short term investments	17	6,984,486	7,181,161	5,289,458	6,973,205
Cash and cash equivalents	18	6,100,588	6,227,778	2,988,483	3,037,553
Total current assets		**22,559,925**	**23,037,404**	**14,592,546**	**16,158,676**
TOTAL ASSETS		**37,121,263**	**37,021,625**	**25,119,695**	**27,016,313**
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		4,155,067	3,275,808	806,151	838,175
Equity attributable to owners		**18,231,730**	**17,352,471**	**14,812,528**	**14,844,552**
Non controlling interests		(77,283)	(77,741)	-	-
Total shareholder's equity		**18,154,447**	**17,274,730**	**14,812,528**	**14,844,552**
Non-current liabilities					
Long term bank loans	22	2,000,000	2,493,750	2,000,000	2,493,750
Other non-current liabilities		-	-	3,500	3,500
Provision for employees' indemnities	23	764,933	355,611	300,238	306,819
Grants	24	3,981,351	4,728,254	582,056	280,701
Other Provisions		42,772	41,000	35,000	35,000
Total non-current liabilities		**6,789,056**	**7,618,615**	**2,920,794**	**3,119,770**
Current liabilities					
Trade creditors & other liabilities	25	8,826,965	8,349,000	4,535,115	5,426,677
Short term bank loans	22	3,216,560	3,618,109	2,779,956	3,481,691
Deferred tax liabilites		134,235	161,171	71,302	143,623
Total current liabilities		**12,177,760**	**12,128,280**	**7,386,373**	**9,051,991**
Total equity and liabilities		**37,121,263**	**37,021,625**	**25,119,695**	**27,016,313**

The accompanying notes are an integral part of the Financial Statements

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

	Notes	Group	
		01.01.2017-31.12.2017	**01.01.2016-31.12.2016**
Revenue Sales	6	11,556,502	9,292,681
Cost of sales	7	(5,784,179)	(5,157,405)
Gross profit		**5,772,323**	**4,135,276**
Other operating income		414,848	846,397
Total		**6,187,171**	**4,981,676**
Selling and marketing expenses	7	(1,862,666)	(2,169,903)
General and administrative expenses	7	(1,366,417)	(1,095,393)
Research and development expenses	7	(904,340)	(688,109)
Other expenses		(130,311)	(262,432)
Operating profit		**1,923,437**	**765,836**
Financial income / (expenses)		(519,813)	(220,344)
Profit for the year before taxes		**1,403,624**	**545,492**
Income tax	8	(380,166)	48,094
Profit for the year after tax (A)		**1,023,458**	**593,586**
Non controlling interests		(3,084)	(32,251)
Profit attributable to Group, net of taxes		**1.020.374**	**561,335**
Other Comprehensive income			
Items not reclassified to profit or loss in the future			
Exchange differences on translation of foreign operations from subsidiary		(159,674)	(6,333)
Remeasurement gains (losses) of employees indemnities provision		22,442	(1,438)
Related tax		417	(6,509)
Other comprehensive income, net of taxes (B)		**(143,741)**	**(7,354)**
Total comprehensive income (A+B)		**879.717**	**586,232**
Equity holders of the parent		879,259	554,009
Non controlling interests		458	32,223
Earnings per share	9	**0,0867**	**0,0477**

The accompanying notes are an integral part of the Financial Statements

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

	Notes	COMPANY	
		01.01.2017-31.12.2017	01.01.2016-31.12.2016
Sales		7,359,298	9,038,394
Cost of sales	7	(4,489,739)	(6,750,673)
Gross profit		**2,869,559**	**2,287,721**
Other operating income		232,751	574,136
Total		**3,102,310**	**2,861,857**
Selling and marketing expenses	7	(1,210,140)	(1,360,212)
General and administrative expenses	7	(965,053)	(997,861)
Research and development expenses	7	(604,308)	(569,983)
Other expenses		(14,852)	(8,090)
Operating profit		**307,957**	**(74,289)**
Finance income /(expenses)		(306,618)	(113,929)
Profit for the year before taxes		**1,339**	**(188,218)**
Income tax	8	(45,785)	(8,335)
Profit for the year after tax (A)		**(44,446)**	**(196,553)**
Non controlling interests		-	-
Profit attributable to Company, net of taxes		**(44.446)**	**(196,553)**
Other Comprehensive income			
Items not reclassified to profit or loss in the future			
Exchange differences on translation of foreign operations from subsidiary		-	-
Remeasurement gains (losses) of employees indemnities provision		17,496	3,408
Related tax		(988)	(5,074)
Other comprehensive income, net of taxes (B)		**12,422**	**2,420**
Total comprehensive income (A+B)		**(32,024)**	**(194,133)**
Equity holders of the parent		(32,024)	(194,133)
Non controlling interests		-	-
Earnings per share	9	**(0,0038)**	**(0,0167)**

The accompanying notes are an integral part of the Financial Statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (amounts in EUR)

GROUP	Share capital	Share premium	Treasury shares	Legal reserve (5%)	Other reserves	Greek legislation reserves	Retained earnings	Non controlling interests	Total equity
Balance as at 1 January 2016	**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	**-**	**-**	**-**	**-**	**-**	**-**	**554,009**	**32,223**	**586,232**
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**
Profit / (loss)	-	-	-	-	-	-	561,335	32,251	593,586
Other comprehensive income, net of taxes	-	-	-	-	-	-	(7,326)	(28)	(7,354)
Total Comprehensive income after tax	**-**	**-**	**-**	**-**	**-**	**-**	**879,259**	**458**	**879,717**
Balance as at 31 December 2017	**5,551,731**	**2,925,510**	**(32,629)**	**655,420**	**2,025,536**	**2,951,095**	**4,155,067**	**(77,283)**	**18,154,447**

The accompanying notes are an integral part of the Financial Statements

STATEMENT OF CHANGES IN EQUITY (amounts in EUR)

COMPANY	Share capital	Share premium	Treasury shares	Legal reserves (5%)	Other reserves	Greek legislation reserves	Retained earnings	Total equity
Balance as at 1 January 2016	**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	**-**	**-**	**-**	**-**	**-**	**-**	**(194,133)**	**(194,133)**
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**
Profit / (loss)	-	-	-	-	-	-	(44,446)	(44,446)
Other comprehensive income, net of taxes	-	-	-	-	-	-	12,422	12,422
Total comprehensive income after tax	-	-	-	-	-	-	**(32,024)**	**(32,024)**
Balance as at 31 December 2017	**5,551,731**	**2,925,510**	**(31,532)**	**639,790**	**1,968,765**	**2,952,113**	**806,151**	**14,812,528**

The accompanying notes are an integral part of the Financial Statements

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

	GROUP		COMPANY	
	01.01.2017-31.12.2017	01.01.2016-31.12.2016	01.01.2017-31.12.2017	01.01.2016-31.12.2016
Cash flows from operating activities				
Profit before tax	**1,403,624**	**545,492**	**1,339**	**(188,218)**
Adjustments for:				
Depreciation and Amortization	2,007,015	2,051,261	706,607	1,600,858
Provisions	57,319	329,095	50,116	324,672
Non cash items (income) / expenses	(1,401,000)	(311,257)	(189,950)	(99,525)
Investing activities (gains) / losses	69,470	(158,102)	73,771	(112,185)
Foreign exchange (gains) / losses	76,281	11,413	74,325	(37,422)
Financial expenses	154,818	270,376	158,623	265,491
Working capital adjustments				
Decrease / (increase) of Inventories	120,389	20,158	120,389	20,158
Decrease / (increase) of Receivables	735,122	(832,846)	(192,992)	958,086
(Decrease) / increase of liabilities (except bank loans)	(1,818,225)	(257,033)	(907,309)	662,648
Less:				
Paid Employees indemnities	(39,200)	(18,633)	(39,200)	(18,633)
Paid Financial expenses	(333,643)	(361,600)	(319,704)	(337,883)
Paid Taxes	(305,732)	(192,542)	(206,405)	(119,105)
Total cash inflows / (outflows) from Operating activities (a)	**726,238**	**1,095,782**	**(670,390)**	**2,918,942**
Investment activities				
Short term Investments in securities,JV	(9,535,715)	(6,655,646)	(4,424,945)	(7,914,521)
Purchase of Tangible & Intangible fixed assets	(481,254)	(5,299,095)	(363,553)	(63,194)
Financial income	97,033	37,522	83,018	33,383
Dividends income	53,813	65,406	49,899	52,109
Inflows from sale of securities	9,469,385	3,521,708	6,034,921	4,387,466
Total cash inflows / (outflows) from Investing activities (b)	**(396,738)**	**(8,330,105)**	**1,379,340**	**(3,504,757)**
Financing activities				
Proceeds from borrowing	1,300,000	1,800,000	1,000,000	1,800,000
Payment of Bank loans	(2,175,000)	(725,000)	(2,175,000)	(725,000)
Receipt of government grants	654,097	5,893,918	491,305	243,993
Total cash inflows / (outflows) from Financing activities (c)	**(220,903)**	**6,968,918**	**(683,695)**	**1,318,993**
Net increase / (decrease) in Cash & equivalents for the period (a) + (b) + (c)	**108,597**	**(265,405)**	**25,255**	**733,178**
Cash & equivalents at the beginning of the period	**6,227,778**	**6,510,661**	**3,037,553**	**2,266,953**
Foreign exchange gains / (losses) on cash &	(235,787)	(17,478)	(74,325)	37,422
Cash & equivalents at the end of the period	**6,100,588**	**6,227,778**	**2,988,483**	**3,037,553**

The accompanying notes are an integral part of the 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'') have principal activities, in accordance with article 3 of its Articles of Incorporation, in the manufacturing and marketing of software and PCs, providing data transmission services through selected and other communication networks. The Company's registered office is at 199 Syngrou Avenue, Nea Smyrni and has 87 employees, while the Group has 127 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, 2017, have been approved by the Board of Directors on 17 April, 2018.

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 01/01/2017-31/12/2017. 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 31.12.2017 are the same as those described in the published annual financial statements as at 31.12.2016, 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 1.1.2017.

2.2 Group structure and basis of consolidation

The consolidated financial statements comprise 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
LOGIN S.A.**	France	IT Company	100,00%	Indirect	Full

** Participation in PROFILE SYSTEMS & SOFTWARE (SUISSE) SA amounts to 60% through the participation of the subsidiary PROFILE SYSTEMS & SOFTWARE (CYPRUS) LTD.*
*** The participation in LOGIN SA amounts to 78,35% through participation of the subsidiary PROFILE SYSTEMS & SOFTWARE (CYPRUS) LTD. The acquisition of the company took place on July 6, 2017 and will be completed at 100% in the year 2018. According to IFRS 3, the two strands of the transaction were considered as single parts of the business combination and the amount corresponding to the remaining stake up to 100% was accounted for as a possible consideration.*
**** Participation in PROFILE SOFTWARE (UK) LTD amounts to 100% through participation of the 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 consolidated financial statements comprise the financial statements of the Company and its subsidiaries as
at 31 December 2017. Control is achieved when the Group is exposed, or has rights, to variable returns from its
involvement with the investee and has the ability to affect those returns through its power over the investee. 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 Group's consolidated financial statements are presented in euros, which is also the parent company's
functional currency since 1 January 2002 is Euro ("EUR"), as a result, for each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

b) Foreign currency transactions

Transactions in foreign currencies are translated at 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 Significant Accounting Estimates and Judgements:

The Group and the Company make estimates, assumptions and valuation judgments in order to apply 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 2016: € 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 € 321,446 (31 December 2016: € 31,078). it is noted that of this amount, € 292,023 derives from the subsidiary Login SA, acquired during the closed year.
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 2017 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.

Intangible Assets 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 is measured a the fair value of sales of goods and services excluding taxes or rebates. Revenue within the Group is eliminated. Revenue recognition is as follows:

- **Sale of goods**
  Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of thegoods have passed to the buyer, usually on delivery of the goods and the collection of the receivable is reasonably secured.

- **Services**
  Revenue of services is recognised by reference to 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**
  Revenue is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend..

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.

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) The accounting policies adopted are consistent with those of the previous financial year, except for the changes resulting from the adoption of new standards and interpretations effective as of from January 1 2017.

New Standards and interpretations

The new standards and amendments which are applied for the first time in 2017 (annual accounting periods which begin from 1 January 2017 and after) and which though do not have a material effect on the financial statements of the Group and the Company or are not applicable for the Group and the Company or which have not yet been endorsed by the EU are analyzed as follows:

IAS 12: Recognition of Deferred Tax Assets for Unrealized Losses (Amendments)

The amendments are effective for annual periods beginning on or after 1 January 2017, with early application permitted. The objective of the Amendments is to clarify the requirements of deferred tax assets for unrealized losses in order to address diversity in practice in the application of IAS 12 Income Taxes. The specific issues where diversity in practice existed relate to the existence of a deductible temporary difference upon a decrease in fair value, to recovering an asset for more than its carrying amount, to probable future taxable profit and to combined versus separate assessment.

IAS 7: Disclosure Initiative (Amendments)"

The amendments are effective for annual periods beginning on or after 1 January 2017, with earlier application permitted. The objective of the Amendments is to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and noncash changes. The Amendments specify that one way to fulfil the disclosure requirement is by providing a tabular reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities, including changes from financing cash flows, changes arising from obtaining or losing control of subsidiaries or other businesses, the effect of changes in foreign exchange rates, changes in fair values and other changes. The Company and Group has provided additional disclosures on its financial variations as presented in Note 34 " Interest Bearing Loans and Borrowings"

The IASB has issued the Annual Improvements to IFRSs 2014 – 2016 Cycle, which is a collection of amendments to IFRSs. The following annual improvement has not yet been endorsed by the EU.

IFRS 12 Disclosure of Interests in Other Entities:
The amendments clarify that the disclosure requirements in IFRS 12, other than those of summarized financial information for subsidiaries, joint ventures and associates, apply to an entity's interest in a subsidiary, a joint venture or an associate that is classified as held for sale, as held for distribution, or as discontinued operations in accordance with IFRS 5..

b) Standards which have been issued but which are not applicable in the current financial period and which the Group and Company has not earlier adopted.

IFRS 9 Financial Instruments: Classification and Measurement 7
The standard is effective for annual periods beginning on or after 1 January 2018, with early application permitted. The final version of IFRS 9 Financial Instruments reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. According to the new impairment model on expected credit losses, the Group will be applying the simplified approach and based on future indicators as regards the recoverability of customer balances no material effect from the application of the new standard on lifetime expected credit losses is expected to result. It is estimated that the effect will not be significant. Furthermore, the Group has no such debt instruments that will require a change in the business models of its financial assets and liabilities and a therefore a different method of calculation is not foreseen.

IFRS 15 Revenue from Contracts with Customers
The standard is effective for annual periods beginning on or after 1 January 2018. IFRS 15 establishes a five-step model that will apply to revenue earned from a contract with a customer (with limited exceptions), regardless of the type of revenue transaction or the industry. The standard's requirements will also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity's ordinary activities (e.g., sales of property, plant and equipment or intangibles). Extensive disclosures will be required, including disaggregation of total revenue; information about performance obligations; changes in contract asset and liability account balances between periods and key judgments and estimates. The Group and Company are in the process of finalisng the impact of this standard on the financial position or performance of the Group. Based on the Group's nature of its products, its transaction prices, and recognition of revenue in connection to its performance obligations, the Group expects that the impact on its consolidated financial statements from the new standard will be immaterial.

IFRS 15 Revenue from Contracts with Customers (Clarifications)

The Clarifications apply for annual periods beginning on or after 1 January 2018 with earlier application permitted. The objective of the Clarifications is to clarify the IASB's intentions when developing the requirements in IFRS 15 Revenue from Contracts with Customers, particularly the accounting of identifying performance obligations amending the wording of the "separately identifiable" principle, of principal versus agent considerations including the assessment of whether an entity is a principal or an agent as well as applications of control principle and of licensing providing additional guidance for accounting of intellectual property and royalties. The Clarifications also provide additional practical expedients for entities that either apply IFRS 15 fully retrospectively or that elect to apply the modified retrospective approach. The Group and Company are in the process of assessing the impact of this clarification on the financial position or performance of the Group..

IFRS 16: Leases

The standard is effective for annual periods beginning on or after 1 January 2019. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'). The new standard requires lessees to recognize most leases on their financial statements. Lessees will have a single accounting model for all leases, with certain exemptions. Lessor accounting is substantially unchanged. The Group and Company are in the process of assessing the impact of this standard on their financial position or performance.

Amendment in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures:

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. The amendments will be effective from annual periods commencing on or after 1 January 2016. In December 2015 the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. The amendments have not yet been endorsed by the EU. The Group and Company are in the process of assessing the impact of this amendment on their financial position or performance.

IFRS 2: Classification and Measurement of Share based Payment Transactions (Amendments)

The Amendments are effective for annual periods beginning on or after 1 January 2018 with earlier application permitted. The Amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, for share-based payment transactions with a net settlement feature for withholding tax obligations and for modifications to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. The Group and Company are in the process of assessing the impact of this amendment on their financial position or performance..

IAS 40: Transfers to Investment Property (Amendments)

The Amendments are effective for annual periods beginning on or after 1 January 2018 with earlier application permitted. The Amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The Amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. The Group and Company are in the process of assessing the impact of this amendment on their financial position or performance.

IFRS 9: Prepayment features with negative compensation (Amendment)
The Amendment is effective for annual reporting periods beginning on or after 1 January 2019 with earlier application permitted. The Amendment allows financial assets with prepayment features that permit or require a party to a contract either to pay or receive reasonable compensation for the early termination of the contract (so that, from the perspective of the holder of the asset there may be 'negative compensation'), to be measured at amortized cost or at fair value through other comprehensive income. These Amendments have not yet been endorsed by the EU. The Group and Company are in the process of assessing the impact of this amendment on their financial position or performance.

IAS 28: Long-term Interests in Associates and Joint Ventures (Amendments The Amendments are effective for annual reporting periods beginning on or after 1 January 2019 with earlier application permitted. The Amendments relate to whether the measurement, in particular impairment requirements, of long term interests in associates and joint ventures that, in substance, form part of the 'net investment' in the associate or joint venture should be governed by IFRS 9, IAS 28 or a combination of both. The Amendments clarify that an entity applies IFRS 9 Financial Instruments, before it applies IAS 28, to such long-term interests for which the equity method is not applied. In applying IFRS 9, the entity does not take account of any adjustments to the carrying amount of longterm interests that arise from applying IAS 28. These Amendments have not yet been endorsed by the EU. The Group and Company are in the process of assessing the impact of this amendment on their financial position or performance..

IFRIC INTERPETATION 22: Foreign Currency Transactions and Advance Consideration
The Interpretation is effective for annual periods beginning on or after 1 January 2018 with earlier application permitted. The Interpretation clarifies the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency. The Interpretation covers foreign currency transactions when an entity recognizes a non-monetary asset or a non-monetary liability arising from the payment or receipt of advance consideration before the entity recognizes the related asset, expense or income. The Interpretation states that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration. This Interpretation has not yet been endorsed by the EU. The Group and Company are in the process of assessing the impact of this amendment on their financial position or performance..

IFRIC INTERPETATION 23: Uncertainty over Income Tax Treatments
The Interpretation is effective for annual periods beginning on or after 1 January 2019 with earlier application permitted. The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12. The Interpretation provides guidance on considering uncertain tax treatments separately or together, examination by tax authorities, the appropriate method to reflect uncertainty and accounting for changes in facts and circumstances. This Interpretation has not yet been endorsed by the EU. The Group and Company are in the process of assessing the impact of this amendment on the financial position or performance of the Group..

IAS 19: Changes, Cuts or Settlement of a Defined Benefit Scheme (Amendments): amendments are effective for annual periods beginning on or after 1 January 2019, while earlier application is permitted. The amendments require entities to use updated actuarial assumptions to determine current service cost and net interest for the remainder of the annual reporting period after a change, curtailment or settlement of the defined benefit plan is made. The amendments also clarify how the application of asset asset ceiling requirements is affected by the accounting treatment of a change, curtailment or settlement of the defined benefit plan. The amendments have not yet been adopted by the European Union.

The IASB has issued the Annual Improvements to IFRSs 2014 – 2016 Cycle, which is a collection of amendments to IFRSs. The amendments are effective for annual periods beginning on or after 1 January 2018 for IFRS 1.

IAS 28 Investments in Associates and Joint Ventures:

The amendments clarify that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is venture capital organization, or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition..

The IASB has issued the Annual Improvements to IFRSs 2015 – 2017 Cycle, which is a collection of amendments to IFRSs. The amendments are effective for annual periods beginning on or after 1 January 2019 with earlier application permitted. These annual improvements have not yet been endorsed by the EU. The Group and Company are in the process of assessing the impact of this amendment on the financial position or performance of the Group.

- **IFRS 3 Business Combinations and IFRS 11 Joint Arrangements:** The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.
- **IAS 12 Income Taxes:** The amendments clarify that the income tax consequences of payments on financial instruments classified as equity should be recognized according to where the past transactions or events that generated distributable profits has been recognized.
- **IAS 23 Borrowing Costs**: The amendments clarify paragraph 14 of the standard that, when a qualifying asset is ready for its intended use or sale, and some of the specific borrowing related to that qualifying asset remains outstanding at that point, that borrowing is to be included in the funds that an entity borrows generally.

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.

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	
	31.12.2017	**31.12.2016**	**31.12.2017**	**31.12.2016**
Clients and other receivebles	6,894,610	6,398,550	4,933,123	4,136,338
Other financial data	50,413	7,264	4,034	6,510
Short term investments	6,984,486	7,181,161	5,289,458	6,973,205
Cash & cash equivalents	6,100,588	6,227,778	2,988,483	3,037,553
Total	**20,030,097**	**19,814,753**	**13,215,098**	**14,153,606**

Clients Analysis:

	Group		Company	
	31.12.2017	**31.12.2016**	**31.12.2017**	**31.12.2016**
Neither past due nor impaired	4,694,610	4,198,550	2,763,123	1,966,338
Past due balances	6,561,425	6,561,425	6,227,615	6.227.615
Balance	**11,256,035**	**10,759,975**	**8,990,738**	**8.193.953**
Less: Allowance for doubtful accounts receivable	(4.361.425)	(4,361,425)	(4,057,615)	(4,057,615)
Fair Value of receivables	**6.894.610**	**6,398,550**	**4,933,123**	**4,136,338**

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. so that they can be enforced. As the next trial is in June 2018 and also because of the fact that the court claim is interest-bearing, the Company has not proceeded to discount this claim. Furthermore, the Company considers that the receivables are reasonable, well-founded and documented, as on the one hand there are the evidence of delivery of equipment and services and on the other hand the borrower continues to function normally on its market, there is therefore no objective evidence of impairment on those requirements

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 table below summarizes the maturity profile of the financial liabilities at December 31, 2017 and 2016 that arise from contractual agreements (amounts discounted):

31.12.2017

Value	**Contractual Cash Flow**	**1-3 months**	**3-12 monts**	**1-5 years**	**Liabilities**
Loans	5,332,416	98,706	3,117,854	2,115,856	5,216,560
Other commitments	6,331,436	2,347,125	3,984,311	-	6,331,436
Subtotal: Cash Flow	**11,663,852**	**2,445,831**	**7,102,165**	**2,115,856**	**11,547,996**
plus:					
Grants Received	5,111,336	-	1,129,985	3,981,351	5,111,336
Deferred income	1,499,779	762,064	737,715	-	1,499,779
Provision for staff retirement indemnities an unaudited TAX years	807,705	-	-	807,705	807,705
Subtotal: Cash Flow	**7,418,820**	**762,064**	**1,867,700**	**4,789,056**	**7,418,820**
Total	**19,082,672**	**3,207,895**	**8,969,865**	**6,904,912**	**18,966,816**

31.12.2016

Value	Contractual Cash Flow	1-3 months	3-12 monts	1-5 years	Liabilities
Loans	6,248,354	-	3,618,109	2,630,245	6,111,859
Other commitments	6,774,336	3,432,523	3,341,813	-	6,774,336
Subtotal: Cash Flow	**13,022,690**	**3,432,523**	**6,959,922**	**2,630,245**	**12,886,195**
plus:					
Receipt of government grants	5,858,239	-	1,129,985	4,728,254	5,858,239
Deferred income	605,850	-	605,850	-	605,850
Provision for staff retirement indemnities an unaudited TAX years	396,611	-	-	396,611	396,611
Subtotal: Cash Flow	**6,860,700**	**-**	**1,735,835**	**5,124,865**	**6,860,700**
Total	**19,883,390**	**3,432,523**	**8,695,757**	**7,755,110**	**19,746,895**

Long-term loans amounting to € 2,000 thousand are simply bilateral loans (not bonds, convertible, etc.) of floating interest rates in the range of 4.0-5.0%, which are considered and indeed are market rates, with not very distant endings (gradually until 2020).

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:

01.01-31.12.2017	Financial Solutions	Business Solutions	Total
Sales	**11,402,894**	**3,526,833**	**14,929,727**
Less: Intercompany	(1,951,036)	(1,422,189)	(3,373,225)
Sales to third parties	**9,851,858**	**1,704,644**	**11,556,502**
Gross profit	**5,516,115**	**256,208**	**5,772,323**
Other income			414,848
Operating costs (disposal, administration and research)			(3,953,405)
Other operating expenses			(130,311)
Operating result			**1,923,437**
Financial income / (cost)			(519,813)
Profit before tax			**1,403,624**
Income taxes			(380,166)
Results after taxes			**1,023,458**
Non-controlling interests			(3,084)
Net Group Result			**1,020,374**

31.12.2017	Financial Solutions	Business Solutions	Unallocated	Total Amounts
Intangible assets	5,102,132	2,597,546	-	7,699,678
Tangible assets	-	1,411,305	4,639,740	6,051,045
Other assets	10,475,053	3,936,780	8,958,707	23,370,539
Total liabilities	(6,304,416)	(5,689,634)	(6,972,766)	(18,966,815)
Net asset value	**9,272,769**	**2,255,997**	**6,625,681**	**18,154,447**

It is noted that the newly acquired Login SA has been included in the financial services sector.

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)			(3,694,539)
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**
Non-controlling interests			(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**

It is noted that there is no question of the dependence of the Group on significant customers as, apart from a major foreign bank, which contributed 16% of sales in the year 2017, and a public sector customer who contributed 14%, all other customers are below the level of 10% of the total sales of the

Group. It is noted that both of the aforementioned customers have long-term implementation contracts that are in progress and are not considered as dreadful customers.

The Company has chosen to organize its entity according to the categories of products and services. In particular, in the case of the Company, there are two main categories, that of the solutions addressed to the financial sector (such as FMS.next, RiskAvert, IMSplus, Axia, Nowennet) and solutions addressed to public (mainly ad hoc projects such as meeting logging courts) and private organizations (such as UTS).

The Company has chosen to organize its entity by product categories as above rather than geographically, as it does not consider it representative because "research and development" that is an important factor for the Company is not geographically related, and also results per geographic area are likely to be affected from short-term reasons and thus not provide reliable information. For example, a new customer in a particular geography is billed with licenses that do not repeat next year, although the same customer is retained the following year and priced with maintenance contracts, which are lower in value than licenses. However, it is disclosed that in 2017 63% of the Group's income came from non-Domestic customers as a whole.

7. Expense Analysis

The expenses of the Group and the Company for the year ended 2017, are analysed as follows:

	GROUP	COMPANY
Cost of goods sold	10,992	10,992
Remuneration and staff costs	4,949,219	3,073,006
Fees and expenses of third parties	2,905,248	2,645,870
Third party benefits	421,700	238,010
Taxes Fees	86,510	44,282
Other Expenses	943,581	719,846
Depreciation of fixed assets	2,007,015	706,607
Operating estimates	137,090	130,915
Total	**11,461,355**	**7,569,528**

The distribution of costs, is as follows :

	GROUP	COMPANY
Cost of Sales	5,784,179	4,489,739
Distribution costs	1,862,666	1,210,140
Administrative expenses	1,366,417	965,053
Research Expenses	904,340	604,308
Depreciation of Subsidized Assets	1,132,377	-
Program Development Costs	411,376	300,288
Total	**11,461,355**	**7,569,528**

The above amounts include the amount of € 1,465,270 for Login.

The number of personnel, for the Group and the Company, as at 31 December 2017 and 31 December 2016 and the payroll cost for the years 2017 and 2016 are analyzed as follows:

	2017		2016	
	GROUP	COMPANY	GROUP	COMPANY
Number of personnel	127	87	95	74
Total cost	**4,949,219**	**3,073,006**	**3,715,786**	**2,777,272**

The payroll cost includes € 1,110,144 of the Company acquired during the year 2017.

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 2016 onwards has increased from 26% to 29%.

The Company and its subsidiary GLOBALSOFT were tax audited for fiscal years 2011-2016 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 2017 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	
	2017	2016	2017	2016
Profit before tax	**1,403,624**	**545,492**	**1,339**	**(188,218)**
Income tax calculated at the nominal applicable tax rate (2017: 29%, 2016: 29%)%	407,051	(158,193)	388	54,583
Tax effect of non -taxable income	(24,025)	242,595	-	139,878
Revaluation of deferred tax assets	-	(226,273)	-	(226,273)
Tax effect of different tax rates applicable to other countries where the Group operates	(82,127)	199,075	-	-
Tax effect of non tax deductible expenses	79,499	(30,718)	50,797	-
Prior year tax differences	(1,448)	21,877	(5,400)	23,477
Differences of tax audit and other taxes	1,216	(269)	-	-
Income taxes that reported in the Income Statement	**380,166**	**48,094**	**45,785**	**(8,335)**

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

	GROUP		COMPANY	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Deferred tax asset	1,478,700	1,207,190	927,925	909,450
Deferred tax liabilities	(718,498)	(387,078)	(400,764)	(397,331)
	760,202	**820,112**	**527,161**	**512,119**

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	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Beginning balance	820,112	510,871	512,119	339,343
Purchase of subsidiary	116,742	-	-	-
Income tax credit / (charge)	(176,652)	309,241	15,041	172,776
End-of-use balance	**760,202**	**820,112**	**527,160**	**512,119**

The nature of the temporary differences and the breakdown of the financial year 01.01.2017-31.12.2017 for the Group is as follows:

GROUP	Beginning Balance	Acquisition of subsidiary	Debits / Credits (-) of Results	Debits/ Credits (-) Other Income	Ending Balance
Provisions for doubtful	666,497	-	-	-	666,497
Intangible asset write-offs	179,329	(459,124)	(1,928)	-	179,329
Provisions for Staff Compensation	103,128	161,932	10,295	(6,509)	103,128
Land-building revaluation adjustment	(351,929)	-	-	-	(351,929)
Difference in depreciation rates	180,174	-	(40,046)	-	180,174
Deferred expenses	1,239	-	-	-	1,239
Revenues / expenses accrued	(35,150)	22,110	(71,808)	-	(35,150)
Demand for tax loss	31,078	391,824	(101,456)	-	31,078
Impairment on Inventories	15,948	-	34,800	-	15,948
Other impairment provisions	29,798	-	-	-	29,798
	820,112	**116,742**	**(170,143)**	**(6,509)**	**820,112**

The nature of the temporary differences and the breakdown of the financial year 01.01.2017-31.12.2017 for the Company is as follows :

COMPANY	Beginning balance	Debits / Credits (-) of Results	Debits/ Credits (-) Other Income	Ending Balance
Provisions doubtful	620,097	-	-	620,097
Intangible asset write-offs	144,458	1,362	-	145,820
Provisions for Staff Compensation	88,978	3,165	(5,074)	87,069
Land-building adjustment	(351,928)	-	-	(351,928)
Difference in accounting depreciation	5,627	(19,212)	-	(13,585)
Revenues / expenses accrued	(35,253)	-	-	(35,253)
Forecast stock devaluation	(1,050)	34,800	-	33,750
Other impairment provisions	41,190	-	-	41,190
	512,119	**20,115**	**(5,074)**	**527,160**

9. Earnings per share

The calculation of the basic earnings per share at 31.12.2017 and 31.12.2016 is as follows:

	GROUP		COMPANY	
	31.12.2017	**31.12.2016**	**31.12.2017**	**31.12.2016**
Net profit attributable to the shareholders of the parent	1,020,374	561,335	561,335	(196,553)
Weighted average number of shares in circulation	11,763,038	11,763,038	11,763,038	11,763,038
Earnings per share	**0,0867**	**0,0477**	**0,0477**	**(0,0167)**

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						
01.01.2016	**2,050,000**	**4,209,052**	**1,062**	**38,016**	**2,026,991**	**8,325,121**
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						
01.01.2016	**-**	**(1,408,560)**	**((1,062)**	**(36,742)**	**(1,958,358)**	**(3,404,722)**
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**

Cost or estimate						
Purchase of subsidiary	-	-	-	-	34,118	34,118
Additions in period	-	-	-	-	22,558	22,558
Deductions in period	-	-	-	-	(708)	(708)
31.12.2017	**2,050,000**	**4,209,052**	**1,062**	**38,016**	**3,887,599**	**10,185,729**
Depreciation						
Deductions in period	-	-	-	-	370	370
Depreciation in period	-	(127,337)	-	(243)	(386,656)	(514,236)
31.12.2017	**-**	**(1,663,234)**	**(1,062)**	**(37,228)**	**(2,433,160)**	**(4,134,684)**
Net book value 31.12.2017	**2,050,000**	**2,545,818**	**-**	**788**	**1,454,439**	**6,051,045**

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						
01.01.2016	**2,050,000**	**4,190,257**	**-**	**36,842**	**1,709,708**	**7,986,807**
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						
01.01.2016	**-**	**(1,398,174)**	**-**	**(35,567)**	**(1,646,527)**	**(3,080,268)**
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**
Additions in period	-	-	-	-	21,435	21,435
31.12.2017	**2,050,000**	**4,190,257**	**-**	**36,842**	**1,752,414**	**8,029,513**
Depreciation in period	-	(125,681)	-	(243)	(22,440)	(148,364)
31.12.2017	**-**	**(1,649,536)**	**-**	**(36,053)**	**(1,694,390)**	**(3,379,979)**
Net book value 31.12.2017	**2,050,000**	**2,540,721**	**-**	**789**	**58,024**	**4,649,534**

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 31.12.2016	Increase	Decrease	Balance 31.12.2017
LOGIN S.A.	-	687,350	-	687,350
GLOBAL SOFT A.E.	764,809	-	-	764,809
Goodwill	**764,809**	**687,350**	**-**	**1,452,159**

As stated in Note 2.2 of the financial statements, on July 6, 2017, the Group acquired through its wholly owned subsidiary PROFILE SYSTEMS & SOFTWARE (CYPRUS) Limited the total of shares of the French company LOGIN S.A., a specialized treasury software development company.

More specifically, the purchase of 78,35% of LOGIN S.A. was made directly for the amount of € 548.450 while for the remaining 21.65% a purchase option agreement was agreed for the amount of € 663.550 for which the Company has committed to exercise within 9 months from the date of the first acquisition and which will be settled in the following years until 2020. The two arms of the transaction were therefore considered to be a single part of the business combination at the acquisition date (6/7/2017), and the amount corresponding to the remaining 100% as a possible consideration in accordance with IFRS 3.

The fair value of the acquiree's identifiable assets, liabilities and contingent liabilities at the acquisition date is as follows

LOGIN S.A.	
‘Intangible Assets	1,398,509
Tangible Assets	34,118
Deffered tax assets	116,742
Other long term receivable	46,378
Trade receivables	247,270
Other Receivable	360,201
Cash and Cash equivalent	354,915
Total Assets	**2,558,133**
Provision for staff leave indemnity	404,707
Other provisions	10,710
Short term loans	0
Trade payables and other liabilities	1,618,066
Total Liabilites	**2,033,483**
Total identifiable net assets at fair value	524,650
Goodwill arising on acquisition	**687,350**
Purchase consideration transferred (*)	**1,212,000**

(*)Notes :

((a) The Purchase consideration cost does not include the costs associated with the acquisition amounting to approximately € 200 thousand, which are included in the expenses for the Administration of the Statement of Comprehensive Income.

(b) The share price of Login SA by € 210 thousand, which took place in October 2017 and was covered exclusively by Profile Systems & Software (Cyprus) Ltd, is not included at the contractual price.

(c) Contract costs do not include restructuring costs.

(d) It is noted that in the calculation of goodwill, the net assets acquired acquire the fair value of identifiable intangible assets that are not directly available for sale.

The fair value of identifiable intangible assets was calculated based on the present value of the future cash flows arising from these assets and relates to the valued value of Login SA's software products transferred through the acquisition to the Company's control.

The fair value of the recognized receivables does not differ materially from the gross value of the contractual receivables and the total is expected to be collected.

The amounts of income and profit or loss after tax of LOGIN S.A. which are included in the consolidated statement of comprehensive income from the acquisition date until the end of the reference period (6/7 - 31/12/2017), amount to € 1.522 thousand and € 230 thousand respectively.

The recoverable amount of the assets of the above cash-generating units has been determined based on the value-for-use calculation using estimated cash flows from financial budgets approved by management for a period of five years. The pre-tax discount rate used and the growth rate of the cash flow beyond the forecast period was calculated as follows:

	Greece	France
Discount rate before tax	12%	7,65%
Growth rate to perpetuity	2%	2%

As a result of the analysis, the Company's management did not recognize any impairment of goodwill as the use value was greater than the carrying amount.

The key assumptions used by the management in the calculation of the cash flow forecasts in the context of the annual audit of impairment of goodwill and in which the value of use is also more sensitive are as follows:

- Sales and Gross profit margins
- -Discount rates
- Growth rates used to calculate cash flows beyond the forecast period.
- of the forecast period

Sales forecasts are based on careful estimates of various factors, such as past performance, market growth assessments where it is active, or whether the Group is planning to operate and where competition exists.

The profit margins are based on estimates during the five-year budget period with regard to the formation of prices and sales volumes, market shares and production and operating costs and no substantial change is expected compared to 2017.

he discount rate represents the present market estimates for the individual risks of each cash-generating unit. The calculation of discount rates is based on the specific conditions that the Group operates and is derived from the weighted average cost of capital. The weighted average cost of capital takes into account both borrowing and equityThe cost of equity is derived from the expected return on the investment of the Group's investors, which is a function of the 10-year bond yields that at the time of preparation of the financial statements amount to 4% in Greece and 0, 75% in France. The cost of borrowing is based on the interest rate on loans that the Group owes to serve.

Growth in perpetuity is mainly based on published studies and surveys.

On 31.12.2017 the Group analyzed the sensitivity of the recoverable amount in relation to a reasonable and probable change in some of the underlying assumptions (indicatively the change of a percentage point in the interest rate or growth rate in perpetuity). These analyzes indicate that the use value would be greater than the book value.

The Group conducted an annual audit of the impairment of the above-mentioned subsidiaries (Cash Generation Units) on 31 December 2017.

12. Intangible assets

The intangible assets of the Group are analyzed as follows:

GROUP	Development expenses	Purchased Software	Other intangible assets	Total
Net book value 01.01.2016	**4,150,434**	**73,369**	**-**	**4,223,803**
Additons	3,443,117	51,338	-	3,494,455
Amortization	(1,764,676)	(70,489)	-	(1,835,165)
Net book value 31.12.2016	**5,828,875**	**54,218**	**-**	**5,883,093**
Acquisition of Subsidiary	964,812	7,225	426,472	1,398,509
Addtions	411,376	47,320	-	458,696
Amortization	(1,438,497)	(18,736)	(35,546)	(1,492,779)
Net book value 31.12.2017	**5,766,566**	**90,027**	**390,926**	**6,247,519**

The intangible assets of the Company are analyzed as follows:

COMPANY	Development expenses	Purchased Software	Total
Net book value 01.01.2016	**3,470,443**	**67,857**	**3,538,300**
Additons	40,584	1,338	41,922
Amortization	(1,391,188)	(58,323)	(1,449,511)
Net book value 31.12.2016	**2,119,839**	**10,872**	**2,130,711**
Addtions	300,288	41,829	342,117
Amortization	(551,477)	(6,765)	(558,242)
Net book value 31.12.2017	**1,868,650**	**45,936**	**1,914,586**

Intangible assets mainly include the cost of developing banking platforms and investment management, as well as purchased software. In the year 2017, due to the acquisition of subsidiary Login S.A., assets of a total value of € 1,398,509 were recorded in the development expenses (recognized technology) and in other gross assets (brand and customer relationships) respectively. The net additions to the Group amounted to € 458,696 (2016: € 3,494,455) and € 342,117 (2016: € 41,922) for the Company. In particular, they concern.

13. Investments in affiliated companies

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

COMPANY	Balance 31.12.2016	Increases (Decreases) in period	Balance 31.12.2017
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.

14. Inventory

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

	GROUP		COMPANY	
	31.12.2017	**31.12.2016**	**31.12.2017**	**31.12.2016**
Inventory	307,928	308,317	277,175	277,565
Impairment provision	(120,000)	-	(120,000)	
Total	**187,928**	**308,317**	**157,175**	**277,565**

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. Due to technological depreciation, during the year 2017 the Company made an impairment provision of 120 th.

15. Trade receivables and other trade receivables

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

	GROUP		COMPANY	
	31.12.2017	**31.12.2016**	**31.12.2017**	**31.12.2016**
Clients	11,017,386	10,479,883	8,804,179	7,966,472
Billing notes received	7,104	7,104	3,696	3,696
Post dated cheques	231,545	272,988	182,863	223,785
Minus: Provision for impairment	(4,361,425)	(4,361,425)	(4,057,615)	(4,057,615)
Total	**6,894,610**	**6,398,550**	**4,933,123**	**4,136,338**

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.

The movement in the allowance for doubtful other receivables is analyzed as follows:	**Group**	**Company**
Beginning balance31.12.2015	**4,101,425**	**3,797,615**
Provision for the period 2016	260,000	260,000
Less: Utilization 2016	0	0
Ending balance 31.12.2016	**4,361,425**	**4,057,615**
Provision for the period 2017	0	0
Less: Utilization 2017	0	0
Ending balance 31.12.2017	**4,361,425**	**4,057,615**

Analysis of trade receivables is as follows:

	GROUP		COMPANY	
	31.12.2017	**31.12.2016**	**31.12.2017**	**31.12.2016**
Neither past due nor impaired	4,694,610	4,198,550	2,763,123	1,966,338
Past due balances	6,561,425	6,561,425	6,227,615	6,227,615
Balance	**11,256,035**	**10,759,975**	**8,990,738**	**8,193,953**
Less: Allowance for doubtful accounts receivable	(4,361,425)	(4,361,425)	(4,057,615)	(4,057,615)
Fair value of trade receivables	**6.894.610**	**6,398,550**	**4,933,123**	**4,136,338**

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 the next trial is in June 2018 and also because of the fact that the court claim is interest-bearing, the Company has not proceeded to discount this claim. Furthermore, the Company considers that the receivables are reasonable, well-founded and documented, as on the one hand there are the evidence of delivery

of equipment and services and on the other hand the borrower continues to function normally on its market, there is therefore no objective evidence of impairment on those requirements.
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	
	31.12.2017	**31.12.2016**	**31.12.2017**	**31.12.2016**
Advances	18,393	62,934	11,988	13,047
Greek state	843,959	1,401,863	637,020	686,346
Other debtors	291,238	190,945	308,225	254,026
Future expenses	383,167	31,890	164,091	24,004
Revenues receivable	855,556	1,233,966	102,983	756,592
Total	**2,392,313**	**2,921,598**	**1,224,307**	**1,734,015**

These other requirements are considered to be short-term. The fair value of these are considered to approximate their book value.
In 2016, following partial control, the Company charged a tax charge of € 303 thousand plus penalties for a pending case for the years 2005-2006. The results of this partial control have been brought by the Complaints Company to the Administrative Courts, whose appeal is pending for the trial that is expected to take place in 2 years. Based on the suggestions made by its legal advisers, the Company considers that there is a considerable and well-founded probability that this appeal will be successful, as the tax authorities themselves
in the Audit Report have acknowledged that the Company operates in its entirety correctly, has no overdue debt to the public and that the particular case was not in the area of its own responsibility. Nevertheless, in the context of the mandatory procedural and procedural conditions for the exercise of its legal rights through the above application, the Company initially initialed an overall settlement of the above charged charges, which until 31/12/2017 was fully paid. Pending the return of these payments back to the Company at the end of the legal proceedings, a claim was entered into an account "Receivables from the Greek State". It is noted that there is no other development until the date of preparation and approval of the financial statements.

17. Short-term investments

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

	GROUP		COMPANY	
	31.12.2017	**31.12.2016**	**31.12.2017**	**31.12.2016**
Opening Balance	7,181,161	3,889,120	6,973,205	3,333,963
Additions in period	9,342,180	6,655,646	4,424,945	7,914,521
Sales in period	(9,399,634)	(3,404,849)	(6,016,303)	(4,302,214)
Total short-term investments	**7,123,707**	**7,139,917**	**5,381,847**	**6,946,270**
Revaluation at fair value	(139,221)	41,244	(92,389)	26,935
Ending balance	**6,984,486**	**7,181,161**	**5,289,458**	**6,973,205**

The amounts of short-term investments refer to financial placements in securities, mutual funds and other securities traded on regulated markets. They primarily aim to place part of the Group's liquidity on safe investments in order to ensure the adequacy of the financing of the investment program for the Group's development and as a "natural" foreign exchange risk offset by the Group's non-euro projects. The additions in 2017 were 9,342 thousand euros and the sales were 9,399 thousand euros. An important part of these additions and sales concerns the recycling / reinvestment of these short-term placements

18. Cash and cash equivalents

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

	GROUP		COMPANY	
	31.12.2017	**31.12.2016**	**31.12.2017**	**31.12.2016**
Cash on hand	13,770	13,752	2,488	3,509
Cash in banks	6,086,818	6,214,026	2,985,995	3,034,044
Total	**6,100,588**	**6,227,778**	**2,988,483**	**3,037,553**

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. In the Cash and cahs equivalents are also included 325,326 € cash of the acquired company SA

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 01.01.2016	**11,812,193**	**5,551,731**	**2,925,510**
Increase by share premium	-	-	-
Increase by capitalization of reserve (Greek law N.4172 / 2013)	-	-	-
Balance 31.12.2016	**11,812,193**	**5,551,731**	**2,925,510**
Share capital increase	-	-	-
Balance 31.12.2017	**11,812,193**	**5,551,731**	**2,925,510**

The share capital of the Company as at 31 December 2017 amounted to € 5.551.731 (31 December 2016: € 5.551.731) divided into 11,812,193 ordinary shares of nominal value € 0,47 each. During the year 2017 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 01.01.2016	**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**
Purchase of treasury shares during the year	-	-	-	-
Balance 31.12.2017	**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	01.01.2017	Change	31.12.2017
Legal 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	01.01.2017	Change	31.12.2017
Legal 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	
	31.12.2017	**31.12.2016**	**31.12.2017**	**31.12.2016**
Long-term debt				
Long term bank loans	2,000,000	2,493,750	2,000,000	2,493,750
Short- term debt	**2,000,000**	**2,493,750**	**2,000,000**	**2,493,750**
Short term Bank loans	2.604.099	2.305.986	2.167.495	2.169.568
Current portion of Long term loans	612.461	1.312.123	612.461	1.312.123
Long – term debt	**3.216.560**	**3.618.109**	**2.779.956**	**3.481.691**
Total debt	**5.216.560**	**6.111.859**	**4.779.956**	**5.975.441**

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 01.01.2016	**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 on 31.12.2016	**355,611**	**306,819**
Acquisition of subsidiary Login SA	404,707	-
Employment cost for the period 1.1-31.12.2017	59,891	44,623
Financial cost for the period 1.1-31.12.2017	6,365	5,492
Cut out effect / Settlement / termination effect for the period 1.1-31.12.2017	-	-
Paid remunerations for the period 1.1-31.12.2017	(39,200)	(39,200)
Actuarial gains / losses for the period 1.1 – 31.12.2017	(22,441)	(17,496)
Balance of liability 31.12.2017	**764,933**	**300,238**

Basic cases :	31.12.2017	31.12.2016
Discount rate	1,3% - 1,7%	1,8%
Inflation	1,0%	1,0%
Future salary increases	1,5-2,00%	1,5%

24. Government grants

The Group has recognized long-term liabilities as deferred income for the long-term portion of government grants that is to be systematically and rationally recognized in income over the useful life of the fixed assets. Depreciation is accounted for in the period's results using the straight-line method according to the useful life of the corresponding subsidized assets.

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

	GROUP	COMPANY
Balance 01.01.2016	**693,560**	**554,214**
Recognized Grant in 2016	5,893,918	243,993
Depreciation of Grants for the year 2016	(729,239)	(517,506)
Balance 31.12.2016	**5,858,239**	**280,701**
Recognized Grant in the year 2017	654,097	491,305
Depreciation of Grants for the year 2017	(1,401,000)	(189,950)
Balance 31.12.2017	**5,111,336**	**582,056**
Transfer to next-year revenue	(1,129,985)	-
Balance 31.12.2017	**5,111,336**	**582,056**

The grants recognized in the financial year 2017 concern the Group's investment programs that were subject to the provisions of the National Strategic Reference Framework NSRF 2007-2013 and in particular € 5,650 thousand in the Court of Auditors Meeting of PPP Courts with the Ministry of Justice, Transparency and Human Rights and € 244 thousand in the portfolio development and portfolio management software development project within the framework of the GSRT bilateral cooperation. For the year 2017, they concern the Enterprise Support for the Implementation of Investment Plans for the development of innovative products and value added services. The amounts for the year 2017 concern the subsidized part of the software market and software development and the purchase of equipment and the corresponding charge is € 1,476 thousand in a fixed assets account (plus the non-subsidized amounts of these investments) and € 92 thousand in expenses of the Group. Finally, it is noted that there are no unfulfilled terms in relation to the aforementioned investment programs and that these investments have been completed, certified and paid off.

25. Suppliers and other liabilities

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

	GROUP		COMPANY	
	31.12.2017	**31.12.2016**	**31.12.2017**	**31.12.2016**
Suppliers	2,741,106	3,456,139	2,533,149	3,136,083
Cheques payable	93,375	97,204	93,375	96,609
Customer advances	163,145	163,728	125,823	126,149
Social security	470,421	150,462	152,110	135,513
Accrued expenses and interest payable	1,032,578	1,725,884	165,278	678,621
Accrued Income	2,629,764	1,735,835	757,437	440,847
Other taxes excluding income	301,941	458,973	253,299	406,275
Other liabilities	1,394,635	560,775	454,644	406,580
Total	**8,826,965**	**8,349,000**	**4,535,115**	**5,426,677**

The Suppliers and other liabilities include € 1,219,412 from the acquired Company SA.

Specifically, Accrued Expenses relate to the recognition of service costs for Company's projects, from services rendered but which were not invoiced by suppliers until 31/12/2017 but based on contracts with suppliers, but whose recognized value calculated in accordance with the measurement of the completion stage of the service in relation to its estimated total cost.

Accrued Income also relates to € 1,130 thousand in a carry-forward of the portion of the new grants (see Note 24) recognized in the next 12 months. The remaining account amount of € 1,500 thousand relates to invoiced revenue from maintenance contracts for a subsequent period and therefore not recognized in the year 2017.

Other Liabilities include an amount of € 663.55 thousand relating to future installments for the acquisition of the shares of Login SA.

26. Transactions with related parties

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

	Sales		Purchases	
Intercompany transactions	**2017**	**2016**	**2017**	**2016**
GLOBAL SOFT SA	148,004	170,727	309,875	220,716
PROFILE SYSTEMS & SOFTWARE (CYPRUS) LTD	1,036,040	794,701	-	-
COMPUTER INTERNATIONAL FRANCHISE LTD	-	-	-	-
PROFILE SYSTEMS & SOFTWARE (SUISSE) SA	6,897	48,174	-	40,141
PROFILE SOFTWARE (UK) LTD	192,500	-	-	41,666
PROFILE DIGITAL SERVICES SA	1,433,229	3,150,882	-	-
LOGIN S.A.	-	-	54,040	-
Total	**2,816,670**	**4,164,484**	**363,915**	**302,523**

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	**31.12.2017**	**31.12.2016**	**31.12.2017**	**31.12.2016**
GLOBAL SOFT SA	25,141	24,857	182,787	37,200
PROFILE SYSTEMS & SOFTWARE (CYPRUS) LTD	281,789	224,918	-	-
COMPUTER INTERNATIONAL FRANCHISE LTD	170,425	169,418	-	-
PROFILE SYSTEMS & SOFTWARE (SUISSE) SA	-	23,298	-	22,461
PROFILE SOFTWARE (UK) LTD	-	-	-	40,000
PROFILE DIGITAL SERVICES SA	52,047	1,393,600	-	-
LOGIN SA	-	-	152,977	-
Total	**529,402**	**1,836,091**	**335,764**	**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 2017 amounted to 499,476 EUR (2016: 520,628EUR).

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	31.12.2017	6,984,486	√	-	-

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

Furthermore, the management has estimated that the book value of short-term deposits, customers, suppliers, short-term loans and bank overdrafts approximates their fair value, mainly due to short-term maturities and as they do not relate to financial assets. equity securities for which there are no stock prices in an active market, and can be measured reliably.
The fair value of the long-term loans of the Group and the Company as at 31.12.2017, as it appears in the financial statements, does not differ materially from the book value as it relates to simple bilateral loans from bank institutions with floating interest rates within the market, are based on euribor plus a spread and are therefore variable according to market conditions. Also, the loans are in euro, and they are not convertible, nor have any burdens, commitments or special clauses.

Therefore, although these loans are classified in the category 1-5 years, however, there is no difference between the fair value and the accounting obligations in respect of those bank liabilities

28. Contingent liabilities

There are no 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 31.12.2017 concern the following:

	GROUP	COMPANY
Guarantees to ensure good contracts with suppliers	28,700	28,700
Participation guarantees	17,147	17,147
Guarantees to ensure good execution of contracts with customers	445,405	445,405
	491,252	**491,252**

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

Name of Company	Unaudited fiscal years
PROFILE AEBEΠ	2010 & 2017
COMPUTER INTERNATIONAL FRANCHISE LTD	2007-2017
GLOBAL SOFT SA	2010 & 2017
PROFILE SYSTEMS & SOFTWARE (CYPRUS) LTD	2008-2017
PROFILE SYSTEMS & SOFTWARE (SUISSE) SA	2013-2017
PROFILE SYSTEMS (UK) LTD*	2015-2017
PROFILE DIGITAL SERVICES SA**	2015-2017
LOGIN S.A.	2011-2017

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

From 2011 onwards, Greek Societes Anonymes and Limited Liability Companies whose annual financial statements are audited by statutory auditors and audit firms registered in the public registers of Law 3693/2008 were required to receive an "Annual Certificate" and the use for the year 2013 was provided by article 82 par. 5 law 2238/1994 and was mandatory for the years 2014 and later provided

for in article 65A of Law 4174/20 is optional and is issued following a tax audit carried out by the same e Auditor's office that controls the annual financial statements
The Company and the subsidiaries of GLOBALSOFT SA and PROFILE DIGITAL SERVICES SA were audited for the fiscal years 2011-2016 for the first two years and the PROFILE DIGITAL subsidiary for the fiscal years 2015-2016 according to the above provisions and were granted both to the Company and to the subsidiary of the relevant tax certificates with unconditional conclusion.
For the year 2017 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 due to be issued after the publication of the 2017 annual financial statements.
In any case, if additional tax liabilities arise until the completion of the tax audit, we assume that they will not have a material impact on the annual financial statements.

29. Post Balance Sheet Events

In addition to the acquisition of treasury shares under the share buyback program of the Company, which was already discussed in the Report of the Board of Directors, Section E, there are no events subsequent to the balance sheet of 31 December 2017 that concern either the Company or the Group, to which reference is made by International Accounting Standards (IFRS).

Nea Smyrni, 17 April 2018

President and CEO	Vice-chairman of the Board	The Chief Financial Officer	Accounting Manager
Stasinopoulos Charalampos ID Σ577589	Barbatos Spiridon ID AE077416	Evangelos Angelides ID 1157610	Zafeiris Santoukas 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 2017 is legally presented 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.