



**AUDIT COMMITTEE ACTIVITY REPORT  
OF THE SOCIÉTÉ ANONYME  
"PROFILE COMMERCIAL AND  
INDUSTRIAL INFORMATION  
TECHNOLOGY COMPANY"  
Financial Year 2021**

## **1. Introduction**

**1.1** The Audit Committee of the Société Anonyme under the name "**PROFILE SOCIETE ANONYME COMMERCIAL AND INDUSTRIAL INFORMATICS**" and the distinctive title "**PROFILE SYSTEMS & SOFTWARE S.A.**" (hereinafter referred to as the "**Company**"), it is a Committee of the Board of Directors, in accordance with the specific provisions and regulations of the current regulatory framework and corporate governance principles.

## **2. Purpose - Responsibilities of the Audit Committee**

**2.1** The Audit Committee has the following main responsibilities:

- (a)** informs the Company's Board of Directors of the outcome of the statutory audit and explains how the statutory audit contributed to the integrity of the financial information and what was the role of the Audit Committee in this process;
- (b)** continuously and systematically monitor the financial reporting process and make recommendations or proposals to ensure its integrity;
- (c)** monitors the effectiveness of the Company's internal control, quality assurance and risk management systems and, where applicable, its Internal Audit Unit, with respect to the Company's financial information, without violating the independence of that entity.
- (d)** monitor the statutory audit of the annual and consolidated financial statements and in particular its performance.
- (e)** reviews and monitors the independence of certified public accountants or audit firms in accordance with Articles 21, 22, 23, 26 and 27, as well as Article 6 of Regulation (EU) No 537/2014 and in particular the suitability of providing non-audit services to the Company, in accordance with Article 5 of Regulation (EU) No 537/2014,
- (f)** is responsible for the selection process of certified public accountants or auditing firms and proposes the certified public accountants or audit firms to be appointed.
- (g)** prepares and submits an annual Report of Activities to the Annual General Meeting of the Company's shareholders.

**2.2** During the performance of its duties during the closed financial year 2021 (01.01.2021-31.12.2021) the Audit Committee had full, free and unhindered access to the data and information necessary for the fulfillment of the purpose and the effective exercise of its responsibilities, while it was provided by the Company's Management with the appropriate resources, means and infrastructure for the proper implementation of its work, as well as the ability to use the services of external consultants, which, however, is possible, it did not make use of it, in so far as it did not arise in that regard, nor did it need to do so.

**2.3** The Audit Committee has an Operating Regulation, which was approved by the Company's Board of Directors at its meeting on July 14, 2021. This Regulation records, inter alia, the responsibilities, duties and obligations of the members of the Committee and is posted on the Company's website in accordance with the express legislative requirement of article 10 par. 4 of Law 4706/2020.

### **3. Composition of the Audit Committee**

**3.1** The existing Audit Committee of the Company, which was elected by the Annual General Meeting of shareholders on June 24, 2021, for a five-year period, consists of two (2) independent non-executive members and one (1) non-executive member of the Board of Directors.

**3.2** More specifically, the Audit Committee consists of:

**(a)** Mr. Emmanuel Tsiritakis of the Demetriou, Independent Non Executive Member of the Board of Directors,

**(b)** Mr. Antonios Roussos of Antonios, Independent Non Executive Member of the Board of Directors and

**(c)** Mr. Aristides Iliopoulos of Spyridon, Non Executive Member of the Board of Directors. President of the Audit Committee was elected at this meeting of June 28, 2021, Mr. Emmanouil Tsiritakis.

### **3.3 Fulfilment of criteria and conditions of the current legislative framework**

The members of the Audit Committee meet all the criteria and conditions set by the provisions of the current legislative and regulatory framework in general, namely:

**(a)** the criterion of independence is met in the person of Messrs. Emmanuel Tsiritakis and Antonios Roussos, i.e., many of the members of the Audit Committee, who:

**(i)** do not hold directly or indirectly a percentage of voting rights greater than 0.5% of the Company's share capital and

**(ii)** are free from any economic, business, family or other kind of relationship of dependence which may influence their decisions and their objective, independent and impartial judgment.

**(b)** the criterion of sufficient knowledge of the sector in which the Company operates, is met in the person of all members, since the above persons participate in the Board of Directors of the Company for a sufficient period of time, with the result that from their participation they have acquired a complete, detailed and clear picture of the products it develops and trades and of the services provided by the Company, for the business model and the strategy it follows, as well as for the way it is organized, managed and operated, as well as for the particularities in general of the sector and sector in which the Company operates and

**(c)** the criterion of sufficient knowledge in auditing or accounting is adequately and demonstrably fulfilled:

(i) on the one hand, in the person of Mr. Emmanuel Tsiritakis, who is a graduate of the School of Economics of the National and Kapodistrian University of Athens, holds a Master's and a Ph.D. with a specialization in industrial structure from the Economics Department of the State University and Polytechnic Institute of Virginia, USA (Virginia Tech), he is currently working as a professor at the Department of Finance and Banking Management of the University of Piraeus, he has teaching and research interests in the areas of Corporate Finance and Asset Pricing, while his rich research work has been published in prestigious scientific journals. Therefore, due to his highly valuable theoretical training and successful professional career, he can play a decisive role in the effective fulfillment of the responsibilities of the Audit Committee and in the further enhancement of its efficiency.

(ii) on the other hand, in the person of Mr. Antonios Roussos, who is a graduate of the Athens University of Economics and Business, a member of the Economic Chamber of Economics and Business, holds a license to practice the profession of Accountant - Tax Consultant of the Economic Chamber and an A' Class signatory right, he has been working in the financial and accounting-tax sector since 1988, while since 1994 he has been acting as Finance Director in a large Greek Industrial Enterprise, which has also been harmonized with the regulatory framework of the corporate corporate sector governance , as it is also an entity of public interest .

#### **4. Meetings of the Audit Committee**

**4.1** During the closing fiscal year 2021 (01.01.2021-31.12.2021) the Audit Committee met five (5) times with the participation of all its members, while its decisions were taken unanimously. During each meeting, the examination of all the items on the agenda was completed, after the required information notes and the relevant recommendations had been distributed, and the competent managers, the Certified Auditors and other persons had been invited to participate, as the case may be, to provide any necessary clarifications and/or explanations.

#### **5. Activities of the Audit Committee during the closed fiscal year 2021 (01.01.2021-31.12.2021)**

**5.1** The issues addressed by the Audit Committee during the closing financial year 2021 were the following:

##### **5.1.1 Financial reporting procedure – Statutory Audit**

(a) held meetings with the Certified Auditors - Accountants of the Auditing Company registered in the Public Register of article 14 of Law 4449/2017 under the name "COOPERATING CERTIFIED ACCOUNTANTS SOCIETE ANONYME OF CERTIFIED AUDITORS" at the planning stage of the audit, during its execution, as well as during the preparation stage of the Audit Reports,

(b) was informed about the procedure and methodology to be followed by the Audit Firm when carrying out the statutory audit of the annual and half-yearly financial statements (corporate and consolidated),

(c) proceeded to an evaluation of the statutory audit program and confirmed that it will cover the most important audit areas and will take into account the main business and financial risk sectors of the Company,

(d) held meetings with the Company's Management and was informed about the financial reporting process,

(e) assessed the accuracy, correctness and completeness of the annual and half-yearly financial statements (stand alone and consolidated) in relation to the information brought to its attention and the accounting principles applied by the Company, (f) confirmed the preparation of the annual and half-yearly financial statements (corporate and consolidated) in accordance with the applicable legislative framework (IFRS, Law 3556/2007), Law 4548/2018) and informed the Board of Directors accordingly,

(g) confirmed compliance with the statutory disclosure formalities of the annual and half-yearly financial statements and the guarantee of immediate, easy and free access to them by the investing public;

(h) submitted a proposal to the Annual General Meeting of the Company's shareholders on June 24, 2021 regarding the election of the Auditing Company under the name "COOPERATING CERTIFIED ACCOUNTANTS SOCIETE ANONYME", after having previously evaluated its experience and specialization, its experience regarding the audit of entities of matching size, the deliverables on its behalf projects and services, the time frame for the completion of the audit, the amount of its remuneration, which was judged to be fair, reasonable and responsive to the prevailing economic conditions, the smooth cooperation with the aforementioned Audit Firm by the date of preparation of the Annual Financial Report, as well as its full compliance with the applicable legislative and regulatory framework in general and the ethical principles,

(i) has taken note of the Audit Report of the Certified Auditor-Accountant,

(j) has taken note of the Supplementary Report in accordance with the provisions of Rule 11 of Regulation No 537/2014 of the European Parliament and of the Council of 16 April 2014,

(k) examined all the services provided by the Audit Firm and confirmed that no services other than those mandatory in the context of audits and tax audits have been provided.

(l) confirmed the impartiality, objectivity, independence and integrity of the Certified Auditors-Accountants, as well as the non-provision to them of any external direction, instruction, suggestion or recommendation by the Company's Management.

#### **5.1.2 Internal Audit**

(a) evaluate the staffing, organizational structure, and operation of the Internal Audit Unit, in order to identify any weaknesses,

(b) was informed about the annual audit program of the Internal Audit Unit prior to its implementation, proceeded to its evaluation and found that it will consider the main business and financial risk areas of the Company,

- (c)** evaluated the work, adequacy, and effectiveness of the Internal Audit Unit, without however affecting in any way its independence,
- (d)** reviewed the publicly available information on the internal audit and the main risks and uncertainties of the Company in relation to financial reporting,
- (e)** had meetings with the head of the Internal Audit Unit to discuss issues of his competence, as well as problems that may arise during the internal audit process, and to ensure the smooth implementation of the internal audit process.
- (f)** took note of the Reports of the Internal Audit Unit and reviewed and evaluated the methods used to identify, monitor, and address the main risks, as well as to disclose/disclose them in the financial statements in an appropriate manner,
- (g)** confirmed that the Head of the Internal Audit Unit is a full-time and full-time employee, personally and functionally independent in the performance of his duties and that there is no incompatibility with him or her as provided for in the legislative framework in force from time to time.
- (h)** confirmed that the Internal Audit Unit has continuous and unhindered access to all data, books, documents and records of the Company in general, which are necessary for the proper performance of its duties, that it has direct and unhindered access to all its individual services and departments and that the members of the Company's Management and staff cooperate to the maximum extent possible with the Unit. Internal Audit and generally facilitate in every way its work, providing the necessary resources, means and infrastructure,
- (i)** informed the Board of Directors of the findings and results of its audit and submitted proposals for improvement, so that the Internal Audit Unit is adequately staffed with competent human resources, equipped with the necessary theoretical training, education, and experience.

### **5.1.3 Other**

- (a)** in cooperation with the Company's Management and in response to the letter of the Hellenic Capital Market Commission with protocol number 2596/09.11.2021, the Committee contributed, to the extent and to the extent that it concerned it, to the preparation of an announcement for the purpose of informing the investors regarding the formation and evolution of the fundamental financial figures of the Company for the third (third) quarter of the financial year 2021 and any impact on them of the pandemic,
- (b)** provided to the Company's Management the necessary assistance for compliance with the provisions of Law 4706/2020, in order to properly complete within the set time frame the process of full harmonization with the provisions and regulations of the said legislation,
- (c)** approved the content of the information provided to the Company's shareholders at the Annual General Meeting on 24<sup>June</sup> 2021 regarding its activities for the fiscal year 2020 (01.01.2020-31.12.2020),
- (d)** in the context of the Company's proper compliance with the provisions of Law 4706/2020, the circulars issued and decisions of the Board of Directors of the Hellenic Capital Market

Commission, as well as the best corporate governance practices, the Board of Directors assisted the Board of Directors in the process of drafting and adopting the following Policies and Procedures:

- Procedure for the Recruitment and Evaluation of Senior Executives
- Procedure for the Notification of Transactions of Persons Performing Managerial Duties
- Procedure for the Notification of Addictive Relationships
- Procedure for preventing and dealing with conflicts of interest
- Legislative and Regulatory Compliance Procedure
- Privileged Information Management and Proper Public Information Process
- Training Policy for Members of the Board of Directors and Executives of the Company.

Nea Smyrni, 29 April 2022

The President of the Audit Committee  
Emmanouil Tsiritakis