PROFILE SYSTEMS & SOFTWARE SA

Annual Financial Report
2020

(Drafted according to article 4 of l. 3556/2007 and the delegated thereby implementing decisions of the BoD of the Capital Market Commission)

PROFILE SYSTEMS & SOFTWARE SA
General Commercial Registry (GEMI) No.: 122141660000
NEA SMYRNI ATTICA (SYGROU AVENUE 199)

It is certified that the present Annual Financial Report concerning the financial year 2020 (01.01.2020-31.12.2020), is the one unanimously approved by the Board of Directors of the Societe Anonyme under the name "PROFILE SYSTEMS & SOFTWARE SA", at its meeting of April 26th, 2021 and is posted on the internet and legally registered in the General Commercial Registry (GEMI), electronic address www.Profile.gr, where it shall remain at the disposal of the retail investors for a period of at least ten (10) years from the date of its drafting and publication.

Contents

STATEMENTS OF REPRESENTATIVES OF THE BOARD OF DIRECTORS (PURSUANT TO ARTICLE 4 § 2 OF L. 3556/2007)

The below statements, which take place according to article 4 par. 2 of l. 3556/2007, as currently in force, are made by the representatives of the Company's Board of Directors, namely the following:

1. Charalambos Stasinopoulos of Panayiotis, resident of Nea Smyrni, 199 Syngrou Ave., **President of the Board of Directors.**
2. Spyridon Barbatos of Antonios-Ioannis, resident of Psychico Attica, 20 P. Hatzikonstanti str., **Vice-President of the Board of Directors**.
3. Evangelos Angelides of Ioannis, resident of Nea Smyrni, 31 Adramytiou str., **Managing Director**.

The below undersigned, in our capacity stated above, according to the definitions of law (article 4 par. 2 [c΄] of l. 3556/2007), but also as especially appointed to this end by the Board of Directors of the Societe Anonyme under the name "PROFILE COMMERCIAL AND INDUSTRIAL INFORMATICS SOCIETE ANONYME" and the distinctive title "PROFILE SYSTEMS & SOFTWARE S.A." (Hereinafter called, for short, "**Company**" or "**PROFILE**") at its meeting of 26th April 2021, we hereby declare and certify that to the best of our knowledge: :

(a) The annual financial statements (corporate and consolidated) of the Company of the financial year 2020 (01.01.2020-31.12.2020), which have been prepared according to the current International Financial Reporting Standards (IFRS), as these have been adopted by the European Union, depict in a true way the assets and liabilities, the net position and the results of the Company as well as those of the enterprises which are included in the consolidation, taken as a whole, according to the provisions of paragraphs 3 to 5 of article 4 of l. 3556/2007 and the delegated thereby implementing decisions of the Board of Directors of the Capital Market Commission.

(b) The Annual Management Report of the Company's Board of Directors depicts in a true way the significant events that took place during the (closing) financial year 2020 (01.01.2020-31.12.2020), their influence on the annual financial statements, including the description of the main risks and uncertainties facing it, the important transactions entered into between the Company and the persons associated with it (as these are defined in IAS 24), as well as the evolution of activities, the performance and the position of both the Company and the enterprises included in the consolidation, taken as a whole and sundry information required according to the stipulations of paragraphs 6 to 8 of article 4 of l. 3556/2007, as well as the delegated thereby implementing decisions of the Board of Directors of the Capital Market Commission.

Nea Smyrni, 26 April 2021
The declarants

Charalambos Stasinopoulos	Spyridon Barbatos	Evangelos Angelides
ID Σ 577589	ID AE 077416	ID 1157610

ANNUAL MANAGEMENT REPORT OF THE BOARD OF DIRECTORS FOR THE FINANCIAL YEAR 2020

The present Annual Management Report of the Board of Directors of the Societe Anonyme, named "PROFILE COMMERCIAL AND INDUSTRIAL INFORMATICS SOCIETE ANONYME", which follows, (hereinafter called for short "**Report**" or "**Annual Report**") refers to the financial year 2020 (01.01.2020-31.12.2021), has been drawn up and is aligned with both the relevant provisions of l. 4548/2018 (GG A' 104/13.06.2018), and l. 3556/2007 (GG A' 91/30.04.2007) and particularly its article 4, as well as the delegated thereby implementing decisions of the BoD of the Capital Market Commission. The Consolidated and Corporate Financial Statements have been drafted according to the International Financial Reporting Standards (IFRS), as these have been adopted by the European Union.

The present Report comprises, in a concise, but readily understood, substantial and comprehensive way, all the significant individual thematic sections, which are necessary, based on the above legislative context, and depicts in a true and correct way all the related information required by law, in order to reach an essential and in-depth update for the activity, at that particular period, of the Societe Anonyme "PROFILE COMMERCIAL AND INDUSTRIAL INFORMATICS SOCIETE ANONYME", (hereinafter called for short "**Company**" or "**PROFILE**"), as well as of the PROFILE Group, in which Group, apart from PROFILE, the following related companies are included:

- "GLOBALSOFT DEVELOPMENT AND MARKETING OF SOFTWARE AND COMPUTING SYSTEMS MATERIAL SOCIETE ANONYME", with registered office in Nea Smyrni, Attica, in which the Company participates with 97,09%,
- "PROFILE SYSTEMS & SOFTWARE (CYPRUS) LTD", with registered office in Cyprus, in which the Company participates with 100%,
- "COMPUTER INTERNATIONAL FRANCHISE LIMITED LIABILITY COMPANY", with registered office in Nea Smyrni, Attica, in which the Company participates with 50,18%.
  In relation to the said Limited Liability Company it is noted that by virtue of notarial deed under number 5055/01.07.2008 of the Athens Notary Public Haricleia Serveta-Phili, it has been dissolved and is currently under liquidation, that has not been yet concluded,
- "PROFILE SOFTWARE (UK) LTD", with registered office in the United Kingdom, in which the above Cypriot subsidiary participates with 100%,
- "PROFILE DIGITAL RECORDING, STORAGE AND RELEASE OF MINUTES OF COURT MEETINGS SOCIETE ANONYME", with registered office in Nea Smyrni, Attica, in which the Company participates with 100%,
- "LOGIN S.A.", with registered office in France, in which PROFILE SYSTEMS & SOFTWARE (CYPRUS) LTD participates with 99,92% and PROFILE SOFTWARE (UK) LTD with 0,08%.
- "PROFILE TECHNOLOGIES COMMERCAIL AND INDUSTRIAL COMPANY SINGLE MEMBER SOCIETE ANONYME", with registered office in Thessaloniki, in which the company participates with 100%. The company was set up on 16 June 2020.

The present Report accompanies the Annual Financial Statements (corporate and consolidated) of the financial year 2020 (01.01.2020-31.12.2020) and, in view of the fact that the Company draws up consolidated and non-consolidated financial statements, it constitutes a single report, with main reference the consolidated financial data of the Company and those of its affiliated enterprises and with reference to individual (non-consolidated) financial data, solely on the points where it has been deemed advisable or necessary for the better understanding of its content.

The Report is included as such, together with the financial statements and other data and statements required by law, in the Annual Financial Report concerning the closing year 2020 (01.01.2020-31.12.2020).

Business Model and Value Creation

Since 1990, Profile Software is a leading company developing software solutions for the international financial industry, the wider enterprise industry and the public sector. The PROFILE Group of companies has international presence in Europe, Middle East, Asia, Africa and America and consistently invests in technologically advanced solutions both for start-ups and established banking and financial institutions, either through direct cooperation or through a trustworthy network of partners.

The PROFILE Group provides innovative, award-winning and flexible software solutions, based on the international quality standards and aims to the best client service. The continuous investment in Research and Development in combination with the constant communication with clients and business partners all around the world, allow to deliver software solutions that meet the requirements of the fast-growing market. The Company has a dynamic work environment, which promotes taking initiatives in order to provide a customer-centric approach. The Group's deliverable solutions are recognized by international rating houses, analysts and consultants, while the Group is also awarded and included in international studies of the industry as a distinguished supplier of software solutions.

The PROFILE Group has been expanded relied on the support, the expertise and the professionalism of its employees, its management and its business partners. Through all the years of the operation, the Company has a robust financial position, maintaining its vision and enhancing its international presence, with both new and existing clients and well-trained personnel. The Company is recognized as reliable and specialized partner in financial services software and our clients are aware of the continually integrated and scalable solutions which are able to address their continuously developing needs.

The PROFILE Group delivers integrated solutions to the sectors of Investment Management, Banking, Treasury, Risk & Compliance, Capital Markets and also, Ticketing. Additionally, the Group has significant presence on public sector projects.

During the past years, the sector of Investment Management has changed dramatically in order to address the investors' (both institutional and private) requirements regarding immediate monitoring with accuracy and transparency. A wide range of operations is covered, such as Wealth Management, Fund Management, Custody, Insurance Investment Management, Family Office, Financial Advisors, and Brokerage and other. Specifically, Axia Suite is an award-winning, web-based, omni-channel solution which provides integrated investment managements with full compliance with MiFID II. Axia Suite is designed in cutting-edge technologies and provides the required functionality in order to respond and surpass the market requirements with holistic approach.

IMSplus is an award-winning Investment Management platform (accessible from desktop, web and mobile) that meets the requirements of the wider financial services sector through a set of specialized solutions. These solutions can be deployed either as stand-alone or as an integrated investment management platform which fulfill any IT ecosystem's needs of an organization.

Regarding the banking sector, the solutions are focused on the new trend which incorporates digital and flexible banks, while the requirements for competitive services in banking and financial sectors are increasing continuously. As a result, financial institutions need flexible solutions in order to provide advanced client-centric services and new products directly and reliably.

FMS.next is a modern integrated solution from PROFILE which addresses the banking related needs of FinTech start-ups, Universal Banks, Private Banks, Islamic Banks, financial institutions that offer Auto & Leasing services and Peer-to-Peer Lending/Crowdfunding platforms and Alternative Financial institutions. Furthermore, FMS.next Payments delivers an integrated payments solution, through a number of different channels, including the end users, payment schemes and interbank networks in a secure environment. The solution covers all major payments instruments (credit transfers, direct debits, corporate payments) and can be deployed as stand-alone or as a part of the FMS.next Core Banking platform.

Acumen^{net} is a cloud-native fully integrated Front-to-Back office and accounting platform which is able to support all financial transactions, such as cash management, forex operations, collateral deals, securities, interest, currency and asset swaps, equities, futures and FRA, Over The Counter (OTC) and exchange-traded options, credit linked instruments, commodities and Islamic deals.

Moreover, every financial institution needs a holistic approach to manage the Risk & Compliance issues, while supporting the goals that have been set by the management and the governance. PROFILE, combining tested software, services and functionalities, delivers a wide range of solutions for market and credit risk management, as also for GRC, ALM and fund management. RiskAvert is a reliable and cloud-enabled solution that allows to calculate, manage and produce reports for credit, operational and market risk through an integrated modular environment. It covers all supervisory approaches of risk calculation allowing the Bank to evolve from a standardized approach towards the IRB approaches.

Regarding the Capital Markets sector, during the past years, it has been changed rapidly and there is increased pressure in order to provide investors with faster and more reliable services. Modern tools are able to achieve higher effectiveness and lower costs for remote access and on-the-go transactions, while ensuring compliance with the market requirements. PROFILE, taking advantage of its extended experience, delivers a set of solutions for Mobile Data Feed, Online Trading, Shareholder's Management και Real-Time Data Feeds. Mobius Wealth, developed by PROFILE, is a top-quality mobile wealth management app, providing a compelling digital experience, full interface with back-end systems and data display across all communication devices (smartphones/tablets, iOS Universal Application & Android).

Additionally, GS Market provides the end users, both institutional investors and retail, with unique flexibility. GS Market (ex. Monopoly) is the most trustworthy choice among investors for following stock exchange market data (both spot and derivative), mainly due to its user-friendliness and its dynamic environment. Plexus app, developed by PROFILE, provides real time Market Data streaming on iPhone® και iPad® devices.

PROFILE's Registry is the most effective and widespread solution for managing/monitoring the stock market of a multi-shareholding company. Finally, Profile Vote is an innovative digital voting system that fully meets the most advanced needs of modern companies.

PROFILE Group also undertakes important projects in the public sector. In particular, through the Company Profile Anonymous Company of Digital Recording of Storage and Disposal of Court Meeting Practices, it is active in the public sector and specifically, in the project of the Ministry of Justice concerning the digitization and automation of the practical meetings of the courts. At the same time, it is in continuous monitoring of the projects announced by the various organizations and bodies of the public sector in order to participate in projects of interest, either through a company of the PROFILE Group or as a member of an Association of Companies.

In addition, PROFILE Group solutions are developed in cloud technologies in accordance with international security standards. PROFILE Software is ISO certified. Its solutions utilize artificial intelligence (AI) tools to fully meet the evolving needs of the market. In addition, Profile Technologies S.A. will focus on developing new features primarily related to financial software, with cutting-edge technologies, adopting the latest developments in artificial intelligence (AI), machine learning (ML), robotic process automation (RPA) and blockchain, and will also invest in Augmented Reality (AR) for investment management and banking. It will also undertake part of the Profile group's development work carried out to date in Europe (Athens - Paris - Nicosia) and Asia (India), thus allowing the other parts of the Company to focus on further specialization and project implementation. Thessaloniki is developing into one of the cities in Greece that bring out technology companies by attracting and offering unique development opportunities for new developers.

Profile Technologies S.A. intends to attract experienced and talented professionals from Northern Greece, computer scientists in the fields of research, as well as graduates of the universities of the region, thus enhancing the professional development of the local community.

PROFILE Group also provides a range of services to its customers to fully meet their needs, from the beginning of a project to their training, in order to make full use of the available solutions and products. Implementation services cover: Project Planning and Implementation, Setup and Adaptation Services, Consulting services and Education.

In addition, PROFILE provides reliable professional services for the effective implementation of each of its projects, with a range of services even after implementation for its international clientele such as Customer Support, Technical Support and Consulting Services. PROFILE's Customer Support department is designed to facilitate the prompt processing of requests for optimal and immediate resolution of any issues that arise. Support offers a common point of contact and monitoring for the customer.

PROFILE Group also has a significant international presence through its subsidiaries abroad. More specifically, through the subsidiary Cypriot company Profile Systems & Software (Cyprus) LTD the Group has a presence in the Cypriot market as well as in the Middle East (Dubai) and Africa promoting and supporting the Group's products and solutions in these markets. Also, through Profile Software (UK) LTD, based in the United Kingdom, the Group has a presence in the UK market as well as in the wider region of Western Europe. In France, Login S.A., which was incorporated into the PROFILE Group in 2017, has developed and evolved the Acumen^{net} product and taking advantage of the Group's technological infrastructure and commercial channels worldwide promotes and combines the solution of Acumen^{net} with the other product solutions of the PROFILE Group. More detailed information regarding the position of the Company and the Group, important events, discrimination of implementations of new projects and the completion and promotion of new solutions of the Group are presented in sections A, B and C of the Management Report of the Board of Directors of the Company.

Profile Group is managed in accordance with the principles and applicable corporate governance legislation, having created internal structures and incorporating into the operation of the Manuals, Codes, Policies and Procedures, aimed at enhancing transparency, responsible operation and decision-making in a collective manner, in all areas aimed at the Sustainable Development of Companies and the safeguarding of the interests of Shareholders and all its Stakeholders. The Group Companies comply with and apply the applicable legislation in each country where they operate. Furthermore, the Parent Company complies with and applies, inter alia, the legislation of the Capital Market and the Regulation of the Athens Stock Exchange.

The basis for the governance of the Group and its companies is the Group's Policies and Standard/Single Procedures, which reflect the operating guidelines as defined by the Board of Directors. They cover all critical areas of operation and development of companies, in the areas of Governance and Compliance, Risk Management, Operations, Human Resources, Personal Data Protection, Infrastructure Management and Physical Security. At the same time, PROFILE Group has highlighted the Values and Principles of Customer Satisfaction, Ethos and Integrity, Teamwork, Knowledge/Continuous Improvement/Innovation, Entrepreneurship and Documentation and Evaluation, as the building blocks that mark what is important, has priority, is right, accurate and desirable for the Group.

The thematic Sections of the present Report and their content, are, in particular, as follows:

SECTION A΄

Evolution, performance and position of the Company and Group – Financial and non-financial key performance indicators

In the present Section, is included a correct and brief representation of the development, activities and position of all enterprises included in the consolidation. This representation takes place in such a way so as to provide a balanced and comprehensive analysis in relation to the above categories of themes, corresponding to the size and complexity of the activities of these enterprises. Also, at the end of the relevant representation certain indicators are set out (financial or not) which the Company's Management evaluates as useful for a fuller understanding of the above issues.

1.Financial Data

The financial year 2020, was a year of recovery for the Greek economy as the political and economic developments were improved. However, COVID-19 outburst and its rapid spread all around the world, which has led World Health Organization (W.H.O.) to declare global pandemic, has been an extraordinary situation, caused important and unpredictable fluctuations in the global supply chains, raised financial instability, changed consumer habits and brought negative effects on service sectors, such as transportation, travelling and tourism.

Profile Group, despite the extremely volatile and liquid financial environment characterized by severe concussions both in global and domestic economy, has managed to maintain its turnover and its profitability in high levels. Vital role for this, have played both the Group's further activity expansion on global markets (where the Group invests systematically during the past years) and the Group's capacity to complete complex projects even within an unstable and uncertain environment.

At the same time, the Group with a strong sense of responsibility continues to closely monitor the developments of the global and Greek economy and to take all necessary measures to ensure the uninterrupted continuation and development of its professional activity and operation, inside and outside Greece, but also to stabilize its extrovert image.

Through increasing productivity, both in human capital level and financial level, the Group targets on achieving stability of financial indexes and further improvement of positive operational results.

2. Evolution and performance records of the Group

The course of the Group's economic fundamentals, during the last three years, is as follows:

THE GROUP					
(Amounts in EUR)	**31.12.2020**	**31.12.2019**	**31.12.2018**	**2020-2019**	**2019-2018**
Total Assets	37.340.568	36.132.269	35.883.907	3,34%	0,69%
Total Equity	21.948.889	19.729.792	18.575.283	11,25%	6,21%
Revenue	15.040.892	15.763.884	13.829.001	(4,59%)	13,99%
Gross Profit	8.102.791	8.502.098	6.795.325	(4,70%)	25,12%
Profit before tax	1.253.871	2.435.609	1.703.627	(48,52%)	42,97%
Profit after tax	906.421	1.769.595	1.259.584	(48,78%)	40,49%
EBITDA	4.217.255	4.346.126	4.056.403	(2,96%)	7,14%

Revenue, EBITDA

The Group continued during the closing year 2020 the development, promotion and distribution of mainly own products, maintaining its gross profit margin at 53,9%, a fact which reflects the dynamics of the Group but also rewards the strategic direction of the Management in the development and production of new reliable products with an emphasis on innovation and cutting-edge technology. The turnover amounted to € 15.040 thousand compared to € 15.764 thousand in the corresponding financial year 2019, recording a low decrease of 4,6% due to the time slip of certain new projects because of the special conditions on global market caused by COVID-19 pandemic. EBITDA decreased by 2,96% compared to the previous year and the group's EBITDA/Turnover percentage amounted to 28,04%. After-tax profits appear decreased to € 906,42 thousand from € 1.769,59 thousand the previous year, mainly due to the accounting valuation of assets in US dollars and sterling, a fact that has been inverted in high level during the first months of 2021.

3. Financial and non-financial key performance indicators of the Group and the Company

Listed below are certain measurable indicators, financial and non-financial, that relate to the key performance, position and financial status of the Group and the Company.

	THE GROUP		THE COMPANY	
	31.12.2020	**31.12.2019**	**31.12.2020**	**31.12.2019**
Asset Capitalization: (The ratio measures the proportion of funds allocated to fixed assets)	33,00%	34,89%	42,32%	42,29%
Equity/ Fixed Assets: (The ratio measures the capital structure)	1,78	1,56	1,50	1,45
Days Sales Outstanding-DSO: (The ratio measures the days required to collect receivables from customers)	90	90	59	85
Total Liabilities / Total Equity & Liabilities: (The ratio measures the debt dependency)	41,22%	45,40%	36,36%	38,84%
Equity / Total Equity & Liabilities: (The ratio measures debt dependency)	58,78%	54,60%	63,64%	61,16%
Loans / Equity: (The ratio measures the proportion of equity in the total debt)	18,76%	20,86%	21,51%	24,47%
Current Assets / Short-Term Liabilities: (The ratio measures Group's and company's ability to cover short-term obligations with current assets)	2,32	1,75	2,39	1,61
Return on Assets: (The ratio measures net profit after taxes as a percentage of assets)	2,43%	4,90%	1,85%	3,37%
Return on Equity: (The ratio measures net profit after taxes as a percentage of Equity)	4,13%	8,97%	2,91%	5,51%
Gross Profit Margin: (The ratio measures Gross Profit as a percentage of sales)	53,87%	53,93%	47,92%	43,96%
Net Profit Margin: (The ratio measures net profit after taxes and minority interests as a percentage of sales)	6,03%	11,21%	5,39%	9,65%

4. Alternative indicators for performance measurement

An Alternative Performance Measure indicator (APM's), according to the definition of the European Securities and Markets Authority, is a financial measure of the historical or future financial performance, financial position, or cash flow which, however, is not defined or specified in the current financial reporting framework. Although not included in the IFRS, APM's should be accessed as ancillary and always in combination with the results arising from the IFRS, with the aim to better understand the operating results of the Group and its financial position, in order to facilitate the decision making for the users of the financial statements.

The Group during the closing financial year and its comparative, has not made adjustments to funds of the statements of comprehensive income, statements of financial position or statements of cash flows and has not implemented extraordinary actions or non-recurring revenues or expenses that have a significant effect on the formation of the said indicators.

In the context of the Alternative Performance Measure Indicators (APM's) the Group sets out the indicator "Earnings before Interest, Taxes, Depreciation and Amortization -EBITDA». EBITDA is defined as pre-tax profit plus/minus financial and investment results plus total depreciation and amortization. The investment results include profits or (losses) from the revaluation of fixed assets, goodwill and intangible assets impairment as well as profits or (losses) of subsidiaries held for sale. EBITDA also exempts lump-sum and non-recurring charges that are not included in the company's usual activities, such as compensation provisions due to court actions as well as other extraordinary provisions. These readjustments are made so that the said indicator stays comparable and consistent over time, in compliance with and pursuant to the applicable guidelines in relation to the alternative performance measure indicators (APM's).

	THE GROUP		THE COMPANY	
	31.12.2020	**31.12.2019**	**31.12.2020**	**31.12.2019**
Operating results (Earnings before taxes, funding & investment results) (A)	1.853.066	2.084.395	63.658	10.569
Total Depreciation (B)	2.364.188	2.261.731	754.661	666.224
EBITDA (A) + (B) = (C)	**4.217.254**	**4.346.126**	**818.319**	**676.793**
Revenue (D)	15.040.891	15.763.884	9.253.416	8.577.914
(%) EBITDA Margin (C) / (D)	**28,04%**	**27,57%**	**8,84%**	**7,89%**

SECTION B΄

Significant events arising during the closing financial year 2020

The significant events that took place, during the financial year 2020, at Group and Company level, as well as their possible influence on the financial statements, are, in brief, the following:

1. Increase and concurrent decrease (return) of capital

The Extraordinary General Meeting of Shareholders on 6th March 2020 approved:
a) the increase of the Company's share capital by the amount of € 531.548,69 by capitalization of part of the "share premium account" reserve, the said capitalization having been implemented by an increase of the nominal value of each share of the Company by € 0,045, i.e. € 0,47 to € 0,515
b) the decrease of the Company's share capital by the amount of € 531.548,69, by a decrease of the nominal value of each share of the Company by € 0,045, i.e. € 0,515 to € 0,045 and return-payment of the corresponding amount to the company's shareholders. The procedure has been completed based on the Athens Stock Exchange Group regulations.

2. Significant Projects Implementation by the Group

- The investment firm 7Q Financial Services, specializing in asset management, went live with Axia Wealth & Fund Management solution, to comprehensively address its fund management requirements and support its investment activities in the most automated manner.7Q Financial Services, a boutique investment house based in Cyprus, has successfully deployed the Axia platform, to significantly improve organizational efficiency by reducing costs and enhancing offered services, while at the same time achieving streamlined, and risk-free operations. 7QFS is servicing a diverse client base, ranging from Investment & Pension Funds to Insurance companies and High Net Worth private investors.
- 3K Investment Partners selected Axia, Profile's leading omni-channel and web-based investment management system, to efficiently address its fund and wealth management operations on a single platform supporting all of its investment activities in a fully automated environment. 3K Investment Partners is an independent mutual fund management firm that offers a wide range of mutual funds and tailor-made investment solutions and acts as a representative of NN Investment Partners in Greece and Cyprus, supporting the sales network of NN Hellas and other distribution networks of NN Investment Partners' Luxembourg UCITS. The Axia Fund Management solution was selected, as it comprehensively automates all fund and asset management operations with rich, end-to-end functionality, while driving customer service excellence and user experience through the client portal, the configurable dashboards, the automated workflows, the alerts and the extensive reporting ensuring compliance and risk control at all levels.

- Allica Bank, the bank that empowers small and medium businesses to succeed, has comprehensively implemented Profile's FMS.next, and RiskAvert to manage their banking and risk management operations. Profile and Allica Bank worked together to speedily deliver the digital banking solutions under challenging timescales.
- Forte Securities, a London-based Prime Broker looking for a platform that would streamline their investment management and custody operations, selected Axia platform. Forte Securities has offices in major financial centers including Monaco, Sydney, and Geneva, among others. The company was formed in 2008 as a brokerage business, specializing in Equities, Fixed Income Bonds and Equity Derivatives. Forte Securities has continued to expand year-on-year by introducing new and innovative business lines, which contributed to becoming a premier European financial services firm. The company is focusing on technology investments and innovation building solid business relationships. The expanded portfolio of services includes prime brokerage, agency trading, clearing, forex, fixed income, etc.
- Bankmed, one of the largest banks in Lebanon, went live with Acumennet by Login SA, a Profile Company, as their Group wide Treasury platform, embarking on a major digital transformation to help the bank deliver faster services across users and customers. Bankmed has more than 2,000 employees, 50 local branches, one e-Branch, five overseas offices and four banking subsidiaries. Their key mission is "to best serve and empower their customers and the society at large, to dream, innovate and grow." Following an RFP process, the bank decided to revamp its IT infrastructure deploying completely new Core Banking, CRM and Treasury Management Platforms.
- Attica Bank selected Profile's RiskAvert, the risk management system for regulatory capital calculation, liquidity risk indices as well as XBRL validation and reporting. he deployment of Profile's RiskAvert, supports the completely automated and functionality-rich dispatch of regulatory reporting covering XBRL taxonomies under the current EBA reporting framework.
- RiskAvert is a robust, automated platform that helps banks precisely calculate the regulatory capital adequacy and produce reports under the current EBA requirements in a natively integrated, yet modular environment. The solution provides a comprehensive cube-based MIS reporting engine that fully supports Market disclosure requirements, (Pillar III).

The above implementations further enhanced the international footprint of the Group and the openness of the Company, while at the same time, its successful penetration into particularly demanding markets, safeguards its future growth.

3. Launching new solutions/integrated applications

Acumennet upgrades to a more robust architecture using cutting-edge technology

Acumennet has been redesigned to fully accommodate scalability, modularity, composability and governance. This supports lower cost through cloud-agnostic and cloud-native environment to better control the business. Apart from enjoying a more advanced dashboard to perform their operations in real-time, Treasurers, now, also save time by having an enhanced user experience. The benefits of advanced security architecture safeguard organizations to better protect from modern digital threats deploying the highest levels of security. The costs are reduced and shorten software release cycles take place through DevOps adoption.

Acumen^{net} eFX launched for full management of Foreign Exchange Risk

The Acumen^{net} eFX solution, which is uniquely designed to support banks' agents, branches, digital channels and clients accessing and managing their Foreign Exchange Risk quickly and effectively. The turn-key platform is characterized by competitive flexibility in order to easily add new functionality and deliver scalability whilst offering a modern dashboard with all key instruments available to the user briefly. Some features include are the support of FX spot and FX forward, real-time FX rates, automatic dealing, request for quote including Timer, position summary with client blotter, customer FX position monitoring and 360-degree client view offering full automation of processes, etc.

Acumennet's readiness for imminent discontinuation of LIBOR use

Acumennet is an integrated system that can support all the work of the Asset Management Directorates, from the registration of new transactions to their liquidation and the calculation of The Real-Time Credit Limit Purchase and Management Risks, and additionally provides the LIBOR Reference module (LRM) for faster and better execution of tasks by The Asset Managers in view of the impending change. It supports the adoption of the new reference rates, through the creation of an appropriate infrastructure for their proper image, as well as their calculation (where necessary). Libor Conversion Module (LCM) is an additional tool on the platform that offers the necessary functionality to transfer existing agreements from LIBOR to the new RFRs (risk free rates) environment.

Axia's new release offers advanced Onboarding and powerful Client Portal

Profile Software presented the new release of Axia Suite that incorporates advanced onboarding functionality and a powerful digital client portal to accommodate the increasing market needs in wealth, asset and fund management thus enabling a competitive and faster communication remotely, in the post-Covid era, while safely onboarding new clients via an automated process. Axia, the omni-channel, investment management platform is continuously being enriched in functionality to competitively address market changes. Current times call for remote working, communication, and networking therefore the ability for a new customer to join online without tedious processes becomes a competitive need for the firms in the Investment Management industry. This trend is expected to increase even more the coming months with online digitally enhanced functionality for client portal access as well as automated onboarding.

The new release supports full automated steps for the prospect to register, experience fast onboarding and get easy access to investment management services. The solution can be deployed as stand-alone or integrated to existing platforms, offering a modern, digital tool to financial advisors, funds distributors, wealth managers and private banking relationship managers, which facilitates and accelerates the client/ investor onboarding process without compromising regulatory compliance requirements or internal security and policies.

RiskAvert 3.0: Upgraded to a new version for comprehensive risk management

Profile Software released of the new updated version of RiskAvert 3.0, in order to accommodate the increasing needs of the industry in the area of Capital Adequacy and Risk regulatory framework.

RiskAvert has been enhanced in several areas to deliver complete management of Risk. The upgraded User Interface is fully responsive and customizable, using advanced technologies like CSS3 and HTML5, enabling users to securely access all functions remotely and from any device. It also provides a number of functional and visual enhancements both in the calculation and the reporting generation processes.

Secondly, RiskAvert fully covers the recently enforced rules under the "Covid-19 measures package" on the preferential treatment of exposures to SMEs, EU - Central Governments & Central Banks, Retail pensioners, as well as exposures eligible to be classified as related to high-quality infrastructure projects.

Thirdly, the system supports new functionality on risk versus accounting data reconciliation that gives users the opportunity to easily compare accounting data with raw risk data input for the calculation process, identify and justify potential differences.

Additionally, in the latest release, RiskAvert also accommodates the Basel III securitization framework, including Regulation (EU) 2017/2401 (Securitization Regulation) and Regulation (EU) 2017/2402 (Securitization Prudential Regulation), the EBA regulatory reporting as well as the quantitative self-assessment reports of risk transfer (i.e., First Loss and Commensurate Risk Transfer Test).

Last but not least, RiskAvert has been enriched with advanced reporting and analytics capabilities through its connectivity with B.I. tools for an in-depth analysis of calculation output results according to the key dimensions and parameters that affect capital requirements.

4. Significant International Distinctions

Recognition of “FinTech” Profile solutions by international organizations

Some of the recent Profile awards, that highlight the pioneering design, the powerful architecture, the innovation and the Omni-channel possibilities of its solutions, are included in the following:

- “Business Innovation & Internationalization – Chrima Magazine [«Περιοδικό Χρήμα»]
- "Most Innovative Company 2020" - WealthTech100
- “Best in Investment Management Solutions – Greece” - Corp Today Magazine
- "Best Financial Solutions Provider of the Year - UK" - M&A Today - Global Awards 2020

It is worth mentioning that Profile has also been shortlisted under "Front Office", "Onboarding" and "Risk Management" categories in Wealth Briefing European Awards 2020, as “FinTech Vendor of the Year” in the Magic Circle Awards 2020 and as "Technology Firm" in the MENA Insurance Awards 2020. Profile was also shortlisted for the “30 Best Companies of the Year 2020” by the CIO Bulletin, the “Systems in the City Fintech Awards 2020" by Goodacre, as well as the HFM European Technology Awards 2020" by HFM.

Profile is proud to have been included in numerous industries reports the past year ranging from IBS Intelligence, Gartner, to Aite and more. The company was also included in Forrester’s Global Banking Platform Deals Survey 2020: “The Banking Platform Market Remains Stagnant, Though Smaller Banks are Turning to FinTech”.

5.Establishment of a new subsidiary

In June 2020, the Company announced the establishment of “Profile Technologies SA”, a wholly owned subsidiary that will become a development center in Thessaloniki.

The new company is going to undertake parts of the Group’s development functions currently based in Europe (Athens – Nicosia - Paris) and Asia (India) allowing the other departments to focus on specialization and customer delivery. Thessaloniki is developing into one of the Greek cities that foster startups and technology firms as an incubator for ambitious young developers and software engineers. Profile Technologies SA intends to hire skilled and experienced professionals from Northern Greece and its universities, further supporting employability in the wider community.

6. Amendment of the Company's current Organizational Chart, reconstruction of the Board of Directors and re-designation of the persons representing the Company

The Board of Directors of the Company at its meeting of 30th November 2020 in the context of the adoption of best corporate governance practices and the further strengthening of the Group's international presence and ensuring its profitable future growth, decided among other things:

(a) the modification - change of the Company's current Organization Chart and in particular the addition to it of the position of Chief Entrepreneur, with a view to ensuring the business continuity and development of the Group, while respecting its historical path in conjunction with the provision of new innovative solutions that are always at the cutting edge of technology.
(b) the separation of the duties of the Chairman of the Board of Directors and the CEO of the Company,
(c) the taking up of the post of Chief Entrepreneur by Mr. Charalambos Stasinopoulos of Panagiotis, who will continue to act as Executive Chairman of the Board of Directors of the Company,
(d) the taking over as CEO of the Company by Mr. Evangelos Angelides of Ioannis, who took up this position after a term of five (5) years in the highly demanding position of Chief Financial Officer (CFO) of the Company and successful exercise on behalf of Group CFO and COO as well as CEO duties in the subsidiary of Login SA.

The starting date for the implementation of the above changes was Wednesday, 2 December 2020.

7. Increase and certify payment of the Company's share capital in application of the Stock Option Plan

The Board of Directors of the Company at its meeting of 4 December 2020 decided:

(a) an increase in the share capital of the Company by the amount of forty-two thousand nine hundred and forty-two Euros and ninety-six cents (€42,942.96), by the payment of cash by the beneficiaries and exercising the right of appeal under the established Share Disposal Program and the issue of ninety-one thousand three hundred and sixty-eight (91,368) new shares; denomination of forty-seven Euro cents (€0.47) each , the difference between the disposal price of the new shares and their nominal value, out of EUR 112,382.64, deposited in a special reserve account 'Difference from issue of premium shares',
(b) full and complete coverage and payment of the increase in the Share Capital of the Company by the total amount of forty-two thousand nine hundred and forty-two Euros and ninety-six cents (42,942.96 €) in the context of the annual implementation of the Stock Option Plan to selected executives of the Company and its affiliated companies; adopted pursuant to the Decision of the Board of Directors of 16.01.2020 following the decision of the Board of Directors Repetitive Annual Ordinary General Meeting of shareholders of 25 May 2018 of relevant authorization,
(c) the appropriate adaptation of the relevant Article 5 of the Company's Articles of Association.

SECTION C΄

Anticipated course and evolution of the Group for the financial year 2021

For 2021, the Profile Group's strategy aims to further strengthen extroversion and continue growth in new markets. The Group systematically strengthens its presence and activities in foreign markets, in order to fully cover and serve the needs of the banking and investment sector, in which it has significant expertise either through existing solutions of the Group, or through acquisitions in markets where the Group had no presence till now or can provide software solutions that could be combined with the existing ones. However, it should not be overlooked that in view of the Group's highly export-concentrated orientation, the prospects, results and course of both the Group and the Company are directly related to the situation and conditions prevailing in the global economy and market (e.g., COVID-19 pandemic, Brexit, deterioration of international relations, etc.).

On the other hand, the Greek economy, which in the last decade has experienced the worst crisis in its post-war history, has managed to recover and enter a medium-term growth trajectory. The upgrade of Greece's debt, the issuance of low-interest bonds, the improvement of bank financing conditions, the recovery of confidence in the banking system and the complete abolition of restrictions on capital movements from 2019 certify the substantial progress made. According to the current predictions, Greek economy is expected to start recovering during the second semester of 2021 and much more in 2022, given the massive vaccination programs, achieving immunity for the larger percentage of the population and lifting restrictions that prevent economy from thriving.

The above compose a special environmental mix which is currently difficult to assess, and which in any case creates a growing insecurity as to drawing definitive conclusions about developments during the financial year 2021.

In any case, the Group's priorities for the current year include further improving its position in the markets of United Kingdom, France, Cyprus, the United Arab Emirates and Scandinavia, as well as infiltrating new markets, mainly through:

a) further enhancing Group's activity abroad, as long as maintains and consolidates its presence with offices, offices and other representative collaborations in Greece, France, Cyprus, United Kingdom, the United Arab Emirates, Singapore and Scandinavia.
b) Hiring of new, specialized personnel

c) Development and presentation of new operations and innovative products in domestic and foreign market,
d) Further rationalization of costs, which is already being implemented through restructuring of the corporate operations and its individual directorates, in order to achieve optimal utilization of the possibilities provided within the IT industry in global level.
e) Targeted approach of new projects and particularly complex information technology projects,

The flexibility of the internal structure and organization that has already been created by the Group over the past years, allows it to adapt more quickly and efficiently to the market conditions that are formed each time, in order to effectively use, if presented, substantial growth opportunities and hedge the recessionary external environment which occurs due to the pandemic.

In addition, the investments of previous years aimed at maintaining the competitive advantage and the development of the Group's operations in sectors with high added value, are expected to continue to have a beneficial effect on profit margins, both on Group figures and the current financial year.

The Group and in particular the Management of the Company are expected to maintain a development attitude regarding the presentation of new solutions based on cutting-edge technologies (FMS.next, Axia, RiskAvert, Acumen^{net}). They remain focused on creating innovative technologies and integrated quality solutions, in order to improve and continuously expand the range of products produced, with an emphasis on their competitiveness, combined with continuous and systematic monitoring of market trends and needs, using modern production and development methods according to international standards.

Profile Group enhances its presence and its activities in global markets aiming to provide integrated solutions and address the needs of the international banking and investment sectors, in which it is specialized. Additionally, it is worth to mention that the Company also invests in office activities in countries abroad efficiently.

This includes the strengthening of the Group's activities both in the Asian region and in the neighboring geographical areas, the increase of the specialized staff in the Dubai office for greater penetration into the wider region through local service and collaborations, while the strategy in general is aimed at consolidating the presence of the Company and the Group in these markets of high interest and dynamic and promoting its specialized products in new markets.

SECTION D΄

Main risks and uncertainties

The Company and the Group operate, as is known, in a highly competitive and particularly demanding international environment, which is changing swiftly and rapidly. During the last years, the Company and the Group, systematically and with a specific development plan, try to strengthen its extroversion with steady and safe steps, not single meaningly, but in the geographical areas that are of strategic interest, with emphasis on cutting-edge technologies and continuous technological upgrade of the products and solutions it provides, while at the same time developing new activities and promoting its entry into new markets, in order to further strengthen its competitiveness. At the same time, it monitors the developments in the domestic market, which during the closing financial year went through significant fluctuations and had weak recovery signs because of the global health crisis.

Its specialized know-how, its many years of experience and presence in the field, its organization and the intense activity of all its executives, its wide renown in combination with the study, development and marketing of new products, but also the continuous improvement and upgrading of the existing ones, with emphasis on the quality and the ability of immediate satisfaction of demand but also of the changing needs of the final customers, as well as the creation of strong infrastructures and the infiltration of new markets, help the Company and the Group remain competitive, notwithstanding the inherent problems facing the sector, which problems have intensified especially during the financial crisis.

The Group's positive financial situation and its significant quality and product differentiation, combined with the continuous development and upgrading of its products, as well as the Group's expansion into new geographical markets, are the main supplies it must minimize the negative consequences from the economic crisis of recent years. However, it is expected that during the current financial year, the Group’s revenues and results will inevitably be affected, owing to the intensity, the duration of the phenomenon and the lack of liquidity in the market and the emerging global recession for 2021, as a result of the pandemic, which leads a great part of the broad customer base addressed by the Group to a suspension of investment plans and the postponement of modernization programs.

The usual financial and other risks to which the Group is exposed and which it is likely to face during the financial year 2021, are the following:

1. The risk of reduction in demand due to the general recession

Although this specific risk is of a limited extent owing to the special software categories developed and marketed by the Group, nevertheless, to avoid the reduction of demand due to the greater financial situation prevailing in the Greek market, the Group develops a large and wide range of products in different categories, addressing the international market in order to counterbalance possible losses in specific market branches. The development and evolution of software products is based on the uninterrupted everyday monitoring and research of the market and new technologies, so that on entering new markets it may balance possible losses.

However, in view of the latest negative conditions due to the unprecedented health crisis in the global economy and market and which are inevitably expected to affect the Company's activity, too, (as, based on the forecasts of international houses, the whole world economy will experience recession conditions during 2020), the said risk is considered real and quite significant. For this reason, special emphasis is placed on strengthening the extroversion of the Company and expanding the international presence of the Group, as the geographical dispersion of the group’s activities acts as hedging to the recessionary environment.

Furthermore, the end of the transitional period at 31.12.2020 regarding the United Kingdom’s exit from the European Union and finding a proper solution in order to avoid the exit with unfavorable terms, have led to the imposition of custom controls and other formalities during shipping goods, to additional uncertainty and insecurity in the global economy, with yet unknown consequences for the markets and the customs union.

2. Risk of increased competition by imported businesses

This risk is always real and appreciable in the area where the Group operates, especially if we consider the fact that barriers to entry are not so strong in this area, as most of the technical terms used to implement and complete information systems and software product configuration are widespread, which allows foreign companies to penetrate the market with relative ease, taking advantage of comparative advantages, especially in terms of sizes.

The Company confronts this risk with emphasis on the design and development of quality and modular products, on the systematic and targeted improvement, upgrade and adaptability of the products already marketed by it, on the representation of strong and world-renowned houses, on establishing long-term, trusting relationships with its customer base and on the expansion of its activities abroad. This risk is timeless, and, in that sense, it is dealt with by the Management of the Company and the Group, always placing special emphasis in the field of quality and product differentiation and in general, in providing to customers high level services, while at the same time, by systematic reinforcement of extroversion, it upgrades its role and presence in the international market, a fact which renders it more resilient in confronting this risk. In addition, the constant increase in the global market size partially abates the effects of competition, so that the activity that takes place outside Greece, which constitutes a strategic orientation for the Company in recent years, compensates for the unavoidable losses in the Greek market.

3. Risk of technological developments

The technological developments affect to a high degree the competitiveness of companies operating in the field of information technology. Companies that operate in the IT industry must be constantly aware of possible differentiations and developments in existing technology and make the necessary investments to ensure a high level of technology.

Based on the above, and for the greatest possible reduction of the risk of technological developments, the Group:

- Develops products in particularly efficient and internationally recognized platforms,
- Moves to continuous training and education of the staff in technological matters, in cooperation with internationally recognized bodies in the field of high technology,
- Offers innovative applications, corresponding to the complex needs and demands of the market.

For the above reasons, this specific risk is assessed as real but, in any case, as manageable at this particular period of time.

4. Credit risk

The Management of the Company and the Group, based on its internal principles of operation, ensures that the sales of goods and services take place towards customers of high credit reliability and lending capacity. Owing to the expansion of the activities of the Company and the Group abroad, the said risk is real in relation to customers originating from other countries (especially from countries of Africa, Asia and N. America) for whom the efficient check of their creditworthiness and reliability, is not always easy. For this reason, the Company and the Group constantly develop and evolve internal mechanisms of operation (regarding the process of negotiations, contracts and project management), with the view to more completely addressing the specific danger. Within the said context and the assessment methods available to the Group, it has not faced so far, any possible exposures of significant size, for which no adequate provision has been formed. Therefore, the said risk, although real in view of the greater negative economic climate, it is assessed today as controllable. However, if there is a deterioration of the conditions for the development of economic activity in the coming months, especially in the Greek market, this risk may affect the results of the Company. Note 16 of the financial statements provide an analysis of customer receivables.

5. Liquidity Risk

The Management attaches particular importance to the management of this risk, to its monitoring by conducting monthly and quarterly forecasts, to the continuous monitoring of cash flows and to the continuous evaluation and reassessment of the strategy related to its effective management. Through frequent monitoring and reassessments and based on the existing data, this risk is controllable and manageable. Notes 23, 26 and 27 of the financial statements set out a table of the loans and other liabilities of the Group.

6. Exchange risk

The Group operates internationally and is therefore at risk of exchange rates arising mainly from the US Dollar and the British Pound. This type of risk mainly results from commercial transactions in foreign currency as well as from net investment in economic entities abroad. The Management of the Company constantly monitors the foreign exchange risks that may arise and evaluates any need to take relevant measures; however, at the present time this risk is not assessed as significant and is in any case completely manageable and controllable.

7. Interest rate risk

The risk of interest rates for the Company is not particularly significant, since on the one hand the Company's borrowing is linked to Euribor and on the other hand the Company has a limited and, in any case, controlled exposure to bank lending. The Group's policy is to maintain the total amount of borrowing at variable interest rates and to intervene correctively, whenever necessary, and at the same time to avoid, to the extent permitted by business activity in general, exposure to further lending. The limited exposure of the Group to loan funds makes the change in interest rates unimportant for the Group's results. It is noted that the Group's cash reserves and cash equivalents exceed all bank loans.

8. Risk from the effects of the spread of COVID-19

The coronavirus disease 2019 (COVID-19), a disease first appeared in Wuhan city of China in December 2019 and the affected cases were rapidly spread worldwide, compelling the World Health Organization (WHO) to declare the spread as a pandemic, has brought unfavorable effects both in global and domestic economic development. Entire sectors faced unprecedented difficulties, as the production was negatively affected and the total demand in the economy declined due to the strict restrictions imposed by the government. A year forward, the daily cases remain in particularly high level, while at the time the Annual Financial Report of the closing year is drafted the third wave of the pandemic is in full swing.

The launch of vaccination programs in several countries around the world has boosted hopes of a return to economic and social normality and a return to economic recovery in 2021.

The efforts of the competent state authorities worldwide focus on mass vaccination of the population, the effective management of the symptoms of the sick, the reduction of the further spread and transmission of the disease, through the adoption of strict preventive measures (movement restrictions, quarantine, mandatory use of masks, etc.) and the mitigation of the effects on the world economy, through budgetary interventions and economic measures.

In view of the above and given the Group's significant presence on the world market, this risk is assessed as significant and real, as it may lead to delays in the implementation of existing or new projects due to the general uncertainty, insecurity and lack of liquidity prevailing in both the domestic and international economic environment.

However, at this time, no safe conclusions can be drawn regarding the risks, impact and potential impact of this event on the commercial activity and financial results of the Company and the Group in general, due to its activity in areas of Europe and Asia that are significantly affected by the spread of the virus. Additionally, the health crisis is not expected to end immediately, and the possibility of new pandemic waves or virus mutations that may affect the efficacy of vaccines administered cannot be excluded.

In any case, the Management of the Company and the Group closely and daily monitors the situation, evaluates and takes the measures deemed appropriate and necessary to limit the impact, protect the health and safety of employees and maintain the Group's business activities at satisfactory levels. In addition, government interventions and aid have been used to ensure its operational continuity and uninterrupted operation and to restrict the impact on the Group's financial situation, financial performance and results.

In the light of the developments and measures taken, as well as the ongoing implementations of the Group, neither the Group nor any individual activity of the Group shall, at the time of preparation of this Report, deal with any case or possibility of interruption of activity (going concern).

9. Risks from climate change

The term 'Climate change' means global climate change due to human activities and caused mainly by an increase in the concentration of greenhouse gases in the atmosphere.

The Company, recognizing both the risks associated with the phenomenon of climate change and its obligations in relation to the need to continuously improve its environmental performance, follows a path of sustainable development and carries out its activities in a way that ensures the protection of the environment.

To address the risks of climate change, the Company promotes and implements a policy that focuses on the following axes:

- design an emergency plan for the management and reaction to extreme natural phenomena on the premises of the Group's companies.
- assessment of the impact of the Company's activities on the environment, recording and evaluating potential risks, taking the necessary preventive measures, carrying out regular checks to confirm implementation and assessing the effectiveness of the measures,
- replacement of energy-intensive equipment with new, lower energy requirements,
- continuous monitoring of energy consumption and taking measures to further reduce it,
- raising awareness and informing the Company's employees about energy saving issues,
- continuous information, training and awareness of staff, in a manner adapted to the tasks and needs of each employee in order to promote an environmentally responsible culture,
- motivation of the Company's partners in environmental protection and strengthening their environmental awareness

SECTION E΄

Significant transactions with related parties

The Company and the Group purchase products and services and provide services, according to their usual activity, to related companies. The transactions with the related parties pursuant to the meaning of IAS 24 were conducted on the usual market terms.

Particularly, this Section includes:
(a) The transactions between the Company and every related party, which substantially affected the financial position or performance of the Company during the financial year 2019 and
(b) Any changes in the transactions between the Company and every related party, described in the last annual Report, which could materially affect the Company’s financial position or performance during the financial year 2019.

The Group’s transactions with the related parties are listed below:

	Sales		Purchases	
Inter-company Transactions	**2020**	**2019**	**2020**	**2019**
GLOBAL SOFT A.E.	132.032	135.968	251.469	234.895
PROFILE SYSTEMS & SOFTWARE (CYPRUS) LTD	810.486	430.989	-	-
PROFILE SOFTWARE (UK) Ltd	516.799	791.065	-	-
PROFILE DIGITAL SERVICES A.E.	1.808.570	1.422.548	-	-
LOGIN S.A.	659.704	900.027	128.486	231.271
Total	**3.927.591**	**3.680.597**	**379.955**	**466.166**

The balances of the Company's receivables and liabilities with the related companies at the end of the current year are analyzed as follows:

	Receivables		Liabilities	
Inter-company balances	**31.12.2020**	**31.12.2019**	**31.12.2020**	**31.12.2019**
GLOBAL SOFT A.E.	18.920	-	40.141	242.592
PROFILE SYSTEMS & SOFTWARE (CYPRUS) LTD	168.639	-	-	60.091

COMPUTER INTERNATIONAL FRANCHISE Ε.Π.Ε.	171.535	171.433	-	-
PROFILE SOFTWARE (UK) LTD	280.191	56.629	-	-
PROFILE DIGITAL SERVICES A.E.	20	-	-	377.591
LOGIN S.A.	-	33.639	7.272	-
Total	**639.305**	**261.701**	**47.413**	**680.274**

The transactions with the related natural persons, as these are defined by the International Accounting Standard 24, for the financial year 2020, are as follows:

For the year 2020:	**Όμιλος**	**Εταιρεία**
Remuneration of Directors and members of Management	1.157.129	1.157.129

On top of the above it is noted that:

- There are no transactions with other related parties to the Company, in the sense of the International Accounting Standard 24, except for the aforementioned.
- No loans or credit facilities in general have been given to members of the Board of Directors or other Company executives and their families.
- The amounts referred to in the above Table relate to remuneration for the personal services-work they provide to the Company, remuneration for such performances and transactions of the members of the Company's Management and its executives during the said period.
- During the first year of implementation of the Stock Option Plan to selected executives of the Company and its affiliated companies, which plan was established pursuant to the decision of the Board of Directors of 16.01.2020 following the annual general meeting of shareholders granted by the First Recurring Annual General Meeting of 25 May 2018, and in particular were exercised from 01.11.2020 to 30.11.2020 , on behalf of the beneficiaries of 91,368 share options, with the disposal price of the shares surrendered to the beneficiaries as a result of the exercise of the rights granted to them amounting to EUR 1,70.
- The said transactions do not contain any extraordinary or individualized features, which would render necessary the further analysis, per related person, thereof.
- Except for the above remunerations, no other transactions subsist between the Company and executives and members of the Board of Directors.
- There is no transaction whatsoever that has been conducted outside and beyond the usual market terms.
- There is no transaction whatsoever, the value of which exceeds 10% of the value of the Company's assets, as represented in its last published statements.
- There is no transaction whatsoever that is deemed significant, according to the stipulations of the Circular number 45/2011 of the Capital Market Commission.

SECTION F΄

Explanatory report of the Board of Directors

The present Explanatory Report of the Board of Directors contains additional detailed information according to paragraphs 7 and 8 of article 4 of l. 3556/2007, constituting a single and integrated part of the present Report of the Board of Directors.

Following the decision of the Extraordinary General Meeting of the Company's shareholders on 6th March 2020 on an equal increase and decrease of the share capital by the amount of 531.548,69 €, the Company's share capital amounts to € 5.551.730,71 and is divided into 11.812.193 common, registered shares, with a nominal value of € 0,47 each.

Pursuant to the decision of the Board of Directors of the Company of 04.12.2020 and in the context of the annual implementation of the Annual Meeting of Shareholders approved by the 1st Recurring

Annual General Meeting of the Shareholders of 25 May 2018 Of the Disposal of Shares to selected executives of the Group, the share capital of the Company increased by the amount of forty-two thousand nine hundred and forty-two Euros and ninety-six cents (42,942.96 €) , the issue of ninety-one thousand three hundred and sixty-eight (91,368) new common registered shares, at a nominal value of forty-seven euro cents (€0.47) each and a disposal price of one Euro and seventy cents (€1.70) per share, the difference between the disposal price of these new shares and their nominal value, out of Eur 112,382.64 amounted to a special reserve account "Difference from issue of premium shares.

As a result, the Company's share capital currently stands at five million five hundred and ninety-four thousand six hundred and seventy-three Euros and sixty-seven cents (5,594,673.67 €) and is divided into eleven million nine hundred and three thousand five hundred and sixty-one (11,903,561) common, nominal shares, with a nominal value of forty-seven Euro cents (€0.47) each.

All the rights and obligations defined by the law and the Articles of Association of the Company are derived from each share. The ownership of the share automatically implies the acceptance of the Company's Articles of Association and the decisions that have been taken by the various bodies of the Company, in accordance with the law and the Articles of Association. Each share provides the right to one (1) vote, subject to the provisions of Article 50 of Law 4548/2018 in respect of own shares.

The Company on 23/04/21 (in particular, after the meeting of the Athens Stock Exchange on Friday 23/04/21) holds 145.954 own shares, which constitute approximately 1,23% of its share capital and voting rights related thereto.

2. Restrictions as to the transfer of Company shares

The transfer of Company shares is conducted as defined by law and there are no restrictions in its Articles of Association in respect of their transfer, especially since these are intangible shares listed on the regulated market of the Athens Stock Exchange.

3. Significant direct or indirect participations in the sense of l. 3556/2007

The information referring to the number of shares and the voting rights of the persons who have significant participations, have been drawn from the share register kept by the Company and from the notifications that have been legally received by the Company.

The significant participations of the Company are the following:

- «GLOBALSOFT DEVELOPMENT AND MARKETING OF SOFTWARE AND COMPUTING SYSTEMS MATERIAL SOCIETE ANONYME», with registered office in Nea Smyrni, Attica, in which the Company participates with 97,09%,
- «PROFILE SYSTEMS & SOFTWARE (CYPRUS) LTD», with registered office in Cyprus, in which the Company participates with 100%.
- «COMPUTER INTERNATIONAL FRANCHISE LIMITED LIABILITY COMPANY», with registered office in Nea Smyrni, Attica, in which the Company participates with 50,18%. It is noted that the said Company has been dissolved and is currently under liquidation which (liquidation) has not yet been completed.
- «PROFILE SOFTWARE (UK) LTD», with registered office in the United Kingdom, in which the above Cypriot subsidiary participates with 100%,
- «PROFILE DIGITAL RECORDING, STORAGE AND RELEASE OF MINUTES OF COURT MEETINGS SOCIETE ANONYME» (Special Purpose Vehicle), with registered office in Nea Smyrni, Attica, in which company (Special Purpose Vehicle) the Company participates with 100%,
- «LOGIN S.A.», with registered office in France, in which PROFILE SYSTEMS & SOFTWARE (CYPRUS) LTD participates with 99,92% and PROFILE SOFTWARE (UK) LTD with 0,08%.
- «PROFILE TECHNOLOGIES COMMERCAIL AND INDUSTRIAL COMPANY SINGLE MEMBER SOCIETE ANONYME», with registered office in Thessaloniki, in which the company participates with 100%. The company was set up on 16 June 2020.

Furthermore, the significant direct or indirect participations in the share capital and the voting rights of the Company pursuant to the provisions of articles 9 to 11 of l. 3556/2007 are the following:

- Charalambos Stasinopoulos: 3.791.997 shares and voting rights (a percentage of 31,856%).
- Latover Holdings Limited (owned by Mr. Char. Stasinopoulos): 1.771.830 shares and voting rights (a percentage of 14,88%).

4. Shares providing special control rights

There are no shares which provide special control rights.

5. Restrictions to the right of vote

The Company's Articles of Association do not provide for any restrictions in the right of vote derived from its shares, nor does the Company has been notified of such restrictions.

6. Agreements of shareholders of the Company

The Company is not aware of any agreements between shareholders, which entail restrictions to the transfer of shares or to the exercise of the rights of vote.

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

In respect of the appointment and replacement of members of the Company's Board of Directors and of issues related to the amendment of its Articles of Association, no rules subsist today that differ from the provisions of L. 4548/2018, as currently in force.

8. Responsibility of the BoD for the issuance of new shares or reacquisition of equity shares (treasure shares)

There is no permanent special responsibility of the Board of Directors or of certain of its members for the issuance of new shares or the reacquisition of equity shares according to article 49 of l. 4548/2018. The relevant responsibility and power to the Board of Directors is always provided by virtue of a relevant decision of the Company's General Meeting of shareholders.

Already, the annual Ordinary General Meeting of the Company's shareholders of 7 May 2020, decided, inter alia, the purchase by the Company, pursuant to the provisions of the earlier article 49 of regulatory law 4548/2018, within a period of twenty four (24) months from the date the said decision was reached, i.e. until 7 May 2022 at the latest, of one million shares (1.000.000) at maximum (including and aggregated in relation to the above limit of own shares already acquired by the Company under a previous share acquisition program), which correspond to a percentage smaller than 10% of the existing Company shares, with a purchase price range from fifty cents to a Euro (€ 0,50) per share (minimum limit) to eight Euro (€ 8,00) per share (maximum limit), while at the same time, provided the Board of Directors with the authorization for the appropriate implementation of the said procedure.

The Company, during the closing financial year 2020, proceeded to the purchase of 284.596 equity registered shares, at the average purchase price of 3,5923 Euro per share, which correspond to 2,39% of its share capital. At the same time, it proceeded to the sale of 776.264 and specifically:

- On 30th January 2020 proceeded to the sale of 578.264 own shares, at the sale price of 4,00 Euro per share.
- On 4th November 2020 proceeded to the sale of 198.000 own shares, at the sale price of 3,70 Euro per share.

During the current year, till 23rd April 2021 the Company has proceeded to the purchase of 99.254 equity common registered shares, at the average purchase price of 5,02 Euro per share, which correspond to 0,83% of its share capital.

9. Important agreements that take effect, are amended or expire in the event of a change in the Company's control, upon a public offer.

No important agreement exists whatsoever, entered by the Company, which takes effect, is amended or expires in the event of a change in the Company's control, following a public offer.

10. Important agreements with members of the BoD or the Company's staff.

Between the Company and the members of the Board of Directors or its staff, there is only one agreement (and in particular between the Company and its Managing Director and President of the BoD), which provides for special compensation, in the events of redundancy or dismissal without substantial reason or termination of office or engagement owing to any public offer.

SECTION G΄

Information on employment and environmental issues

(1) On 31.12.2020 the Group was found to be employing 141 individuals and the Company 105 individuals, against 150 and 106 individuals employed on 31.12.2019. It should be noted that the relations of the Company with its staff are excellent and there are no work problems arising, in general, as one of the basic priorities of the Company is the up-keeping and reinforcing a climate of working peace and the constant improvement of the working conditions, to achieve the maximum utilization of the human recourses, in a productive level. The Company daily takes care to administer all the necessary measures and to adopt practices, in order to fully and completely comply with the applicable provisions of labor and insurance legislation. One of the basic principles governing the operation of the Group is the continuous training of the staff and the strengthening of the corporate consciousness at all levels of the functions and activities of the Group.

(a) Diversification and equal opportunities policy

The Management of the Group does not discriminate on recruitments, salaries and promotions based on sex, tribe, religion, skin color, nationality, religious beliefs, age, family status, sexual preferences, participation in trade unions or any other characteristics whatsoever. The only factors taken into consideration are the training, specialization, experience, efficiency and the individual's abilities in general, while it encourages and advises all employees to respect the diversity in every employee, customer and supplier of the Group and to not tolerate any behavior which is likely to create discriminations of any form.

(b) Respect of the rights of employees

The Management of the Group upheld, without deviation, the current labor legislation and respects the relevant provisions and stipulations on child labor, human rights and the possibility of participation of the employees in trade unions.

(c) Hygiene and safety at work

The protection of health and safety of the employees constitutes a top priority for the Management of the Group, which monitors and systematically checks all risks that are likely to arise from its activity and takes all necessary preventive measures for the prevention of accidents, while all employees attend training seminars on issues of health and safety at work. The Group's Management also ensures the observance of fire safety rules, the response to emergency events and the training of staff in fire protection, firefighting, use of portable fire extinguishers and the preparation of readiness exercises with the aim to prevent and confront exceptional occurrences.

(d) Employee training and development

The business success of both the Group and especially the Company is based on its people. The Company provides a working environment characterized by stability, so that all employees are motivated to be productive and focused on achieving the best result, to take initiatives for the benefit of the corporate interest and to manage their personal development with zeal and integrity. Through the Human Resources Department, the Company's Management distinguishes the skills of employees and places them in positions where they will contribute to the maximum degree and will be able to be distinguished.

(2) 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 path of sustainable development, it carries out its activities in a way that ensures on the one hand the protection of the environment and on the other hand the hygiene and safety of its employees.

The Group seeks to improve the overall behavior of its employees both in terms of environmental pollution prevention and recycling and environmental management and endeavors to establish the concept of ecological sensitivity across the workers' pyramid.

In collaboration with "KLIMAKA", a non-profit organization that cares for the socially disadvantaged, collects and compresses paper for recycling, which not only helps protect the environment but also provides food and shelter to the homeless who participate in recycling and collection. Furthermore, the Company is an active supporter of "Think Before You Print", by including its logo in all its electronic communications.

SECTION H΄

Other information – Significant events after the 31 December 2020 and up to the drafting of the present Annual Report

1. Through continuous monitoring of the market, the Company aims to develop new products and to upgrade and further evolve the existing ones, with the view to more fully meeting the ever-changing needs of the market and adapting to customer requirements. The Research and Development works are carried out by specialized consultants of the Company in the individual Units with vertical and perfect knowledge and experience for each product or solution that is developed as well as in collaboration with the Sales and Marketing Departments for the required market and customer research, where required.

2. None of the companies participating in the consolidation have any shares or units of par. 1e of article 26 of l. 4308/2014, except for the parent Company. The equity shares held by the Company are mentioned in Section F' of the present.

3. In reference to the anticipated development of the Company as well as of the companies included in the consolidation, Section C' of the present Report sets out a relevant analysis.

4. There are no other significant events that took place after the expiry of the closing financial year 2020 and up to the date of approval of the present Report, which have a significant impact on the financial statements and therefore need special mention and reference in the present Report, except that:

On 19 March 2021, the agreement to acquire 100% of the share capital of the foreign investment management company Euronext Centevo was signed between the Profile Group and Euronext Nordics Holdings AS, as a result of the decision of the well-known Euronext group to de-invest from its specific non-core business. Euronext Centevo is based in Stockholm and consists of two units, one in Stockholm, Sweden and one in Oslo, Norway. In total, it employs a staff of 45, which is shared in these two regions. With revenues reaching €5.5m in 2020, Centevo serves the largest Asset and Fund Managers, as well as banks in the wider region (Norway, Sweden, Denmark, Finland), with a customer base of more than 65 different organizations. Centevo's solutions cover the areas of Asset Management, Fund Management, Trust Management, Family Office, and it also has a connectivity API with large local banks, offering a competitive advantage to Profile Group for expanding the functions offered and integrated solutions. These are solutions that complement the Group's portfolio, creating new opportunities for expansion and cross selling, both in geographical and product terms.

SECTION I΄

CORPORATE GOVERNANCE STATEMENT

(The present Statement is drafted according to article 152 of l. 4548/2018 and forms a part of the Annual Report of the Company's BoD.)

Introduction

The term "corporate governance" describes the way in which companies are directed and controlled. Corporate governance is articulated and structured as a system of relations between the Management of the Company, the Board of Directors, the shareholders and other interested parties. It constitutes the structure through which the purposes of the Company are approached and set, the means of achieving and assessing these purposes are defined, the basic risks facing the company during its operation are located and the efficient and at the same time systematic monitoring of the performance of the Management during the process of implementation of the above is rendered possible.

Effective and substantial corporate governance plays an essential and primary role in promoting the competitiveness of businesses and improving their operational infrastructure and the development of innovative actions on their part, while the increased transparency it promotes results in improved transparency across the economic activity of private companies but also of public organizations and institutions, for the benefit of all the shareholders of the companies but also of the parties transacting with it.

In October 2013, the new Corporate Governance Code was published, which was drawn up upon the initiative of the Hellenic Federation of Enterprises (SEV), and afterwards was amended in the context of its first revision by the Hellenic Corporate Governance Council (HCGC).

1. Corporate Governance Code

1.1 Notification of voluntary compliance of the Company with the Corporate Governance Code

In our country the framework of corporate governance has been developed mainly through the adoption of compulsory rules such as l. 3016/2002, as currently in force, which imposes the participation of non-executive and independent executive members in the Boards of Directors of Greek companies, whose shares are traded in an organized stock market, the establishment and operation of an internal control unit and the adoption of internal operation regulation.

Following the above, other subsequent pieces of legislation incorporated European corporate law directives into Greek law, creating new corporate governance rules, such as law 4449/2017, which imposes the establishment of audit committees, as well as important notification obligations concerning the status of ownership and governance of a Company and law 3884/2010 which concerns the rights of the shareholders and additional corporate obligations of notifications to the shareholders during the preparation stage of a General Meeting. Then, law 3873/2010 incorporated into Greek law the Directive 2006/46/EC of the European Union, thus serving as a reminder of the need to establish a Corporate Governance Code and at the same time becoming its foundation stone.

It should be noted that the provisions of Part A of Law 4706/2020 (Government Gazette A 136/17.07.2020) substantially update and reform the legislative framework for the corporate governance of societe anonyme companies whose shares or securities are listed on a regulated market in Greece.

The update aims to strengthen the corporate governance framework considering changes in the legislative and regulatory framework governing the action of these companies at Union level, in the period since the introduction of Law 3016/2002 to the present day, and the current trends in corporate governance.

In particular, the new arrangements seek to substantially upgrade the required organizational structures and corporate governance processes of societe anonyme companies, so that they meet the increased requirements of the modern capital market and, also, do not affect the operational and decisive autonomy of the business entity. The aim of the new legislation is to build effective governance practices and to consequently strengthen the confidence of their shareholders or potential shareholders.

The Company fully complies with the requirements and regulations of the abovementioned legislative texts (especially l. 4548/2018, l. 3016/2002 and l. 4449/2017), which also form the minimum content of any Corporate Governance Code and constitute (the said provisions) an informal Code of the kind.

Furthermore, following the implementation of Law 4706/2020, the Company is in the process of systematic preparation and intends to carry out, as soon as possible and in any case before the entry into force of the new law, the planning and gradual implementation of those actions deemed necessary, appropriate for its full, effective and substantial compliance and harmonization with the new regulations.

Pursuant to the above, the Company states that during the present financial year it continues to adopt as a Corporate Governance Code (CGC) the Corporate Governance Code that was formed by the Hellenic Corporate Governance council (HCGC) (available at http://www.helex.gr/el/esed), in which Code, it declares by the present Statement, that it is subject, with the following deviations and exceptions.

1.2 Deviations from the Corporate Governance Code and reasoning thereof. Special provisions of the Code that are not applied by the Company and explanation of the reasons for non-application.

First of all, the Company attests by the present statement that it faithfully administers and invariably follows the total of the provisions of the current Greek legislation in respect of corporate governance (l. 4548/2018, l. 3016/2002 and l. 4449/2017), which shape the minimum content of any Corporate Governance Code, addressed to companies, whose shares have been listed for trade on an organized market.

An important addition, however, to the new Corporate Governance Code that was formulated as stated above and to which the Company is subject, is the adoption of the standard of explaining the non-compliance of the Company with specific special practices of the Code. This means that the new Code follows the "compliance or explanation" approach and requires listed companies that choose to apply it to disclose their intent and either comply with all the specific practices established by the Code or explain the reasons for their non-compliance with specific special practices.

In relation to the said additional practices and principles established by the new CGC, exist, presently, certain deviations (including the case of non-compliance), for which deviations there is a brief analysis as well as an explanation of the reasons justifying them, following hereafter.

Part A΄

The Board of Directors and its members

I. Role and responsibilities of the Board of Directors

-To this day, the Board of Directors has not set up a separate committee, which is in charge of the process of submitting candidacies for election to the Board and prepares proposals to the Board with regard to the remuneration of executive members and key top executives.

This discrepancy is due to the fact that the Company's Management, in compliance with the regulatory framework created by Law 4548/2018 and in particular Articles 110 and 111 thereof, during the closing financial year in the preparation of a Remuneration Policy, which was adopted by the annual Ordinary General Meeting of Shareholders of 7 May 2020 and therefore the establishment of a separate committee to prepare proposals to the Board of Directors concerning the remuneration, compensation and benefits in general of its executive members and other directors is not considered appropriate and necessary.

The Company has adopted a clear and sufficiently defined Remuneration Policy regarding the remuneration of executive members of the Board of Directors, so that interested parties can accurately and easily identify the basic principles and priorities in the remuneration determination process.

Please note, for the sake of completeness of this Statement, that the remuneration of both executive and non-executive members of the Board of Directors includes fixed remuneration, variable remuneration, fixed monthly compensation for participation in the meetings of the Board of Directors, other non-monetary benefits in order to facilitate the performance of their duties (e.g. mobile phone, car, hospitality expenses , etc.) and finally participation in the Company's share disposal programs.

Furthermore, the absence of a separate committee which is in charge for submitting nominations for election to the Board of Directors, is explained by the fact that the candidates for election to the Board of Directors, from the establishment of the Company to the present day, meet all the necessary conditions to be trusted to them the membership of the Board of Directors. They are distinguished for their high professional training, knowledge, qualifications and experience, stand out for their morals and integrity of character and therefore, in the context of the flexibility that distinguishes the general organization and operation of the Company, there has so far been no need to set up such a committee.

However, it should be mentioned that after the entry into force of Law 4706/2020 (which was adopted after the adoption of the before-mentioned Policy), Article 12 of which makes it compulsory to maintain a Nominations Committee, the Company will proceed immediately, and in any case before the entry into force of this article, by virtue of a relevant decision of the competent corporate body, to the establishment of this Commission, as well as to the fulfilment of any other obligation imposed by applicable law (including, but not limited to, the establishment of a Commission Rules of Procedure, posting it on the Company's website, staffing the Commission with persons who meet the conditions laid down by law, etc.).

II. 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 par. 1 thereof "the Company is directed by a Board of Directors consisting of five (5) to eleven (11) directors, natural or legal persons".

This deviation occurs due to the fact that the size and organization, in general, of the Company at present, do not justify the existence of such a multi-membered Board, but speak in favor of the existence of a smaller and more agile BoD, which can convene and reach decisions with speed and efficiency. Besides, the flexible structures adopted by the Company as to the composition of the Board of Directors, allow the speedy decision making and the efficient monitoring of their implementation and application. However, in view of the extroversion and the systematic effort to internationalize the Company, the possibility of immediate expansion of this structure is examined through the necessary amendments to the Company's Articles of Association.

- The BoD does not consist, in its majority, of non-executive members.

The existing Board of Directors of the Company presently consists of seven (7) members, four (4) of which are executive and the other three (3) non-executives, which include two (2) individual non-executive members. The present composition of the existing Board of Directors has ensured, by actual and tangible results, during all past years, the productive operation of the Company, the efficient promotion of corporate goals and activities and the reconciliation of all opinions regarding the applicable policies by the Company.

The service of the corporate interests and needs of the Company but also of the Group of which it is headed can be achieved only through the presence of a sufficient number of executive members in the Board of Directors, given the extroversion of the Company and the necessity for parallel close attendance of the company's activities in different geographical areas.

Besides, the presence of two (2) independent non-executive members of the Board of Directors ensures the required objectivity and neutrality in decisions reached, without influences of psychological, professional, family or economic nature by persons which exercise the Management of the Company and constitutes sufficient counterbalance for the appropriate and efficient operation of the Board of Directors.

The above deviation from the provisions of the Corporate Governance Code cannot be considered as subject to time limitation, given that the Company, based on its present structure and operation does not intent to immediately harmonize with the above requirement, as it takes the view that this requirement (of the BoD consisting in its majority of non-executive members) does not respond to its needs, structure and organizational operation, while in any case, the entirely successful operation of the BoD constitutes, per se, a deterrent of any change or differentiation.

-The policy of diversity, including gender balance for board members, as it has been adopted by the BoD, will be posted on the corporate website. The corporate governance statement should include a special reference: a) to the diversity policy implemented by the Company regarding the composition of the BoD and senior executives and b) the percentage of representation of each sex, respectively.

The Company's present Board of Directors consists exclusively of men. This deviation is justified by the impossibility of finding, at the present period, executives in the industry in which the Company operates, belonging to the female sex and responding, in terms of skills, abilities, qualifications, time availability and experience, at the level set for members of the BoD but also to the increased demands associated with this capacity, due to the special characteristics of the Company and the necessity (due to the growing extroversion that the Company acquires) of their frequent presence and stay in different countries around the world.

In compliance with the provisions of the new regulatory framework for corporate governance, the Company's Management shall consider the need to add at least one (1) representative of the female sex to this corporate body, in order to enhance pluralism and the composition of different positions and views in its operation.

Finally, and regarding the policy of diversity applied by the Company with regard to the composition of the Board of Directors, a provision will be included in the Suitability Policy, which the Company intends to draw up in order to harmonize with the provisions of Article 3 of Law 4706/2020.

III. Role and required capacities of the President of the Board of Directors

- There is no clear distinction between the responsibilities of the President and the Chief Executive Officer.

During the financial year 2020, this divergence was removed, since the Board of Directors of the Company, at its meeting of 30 November 2020, decided, in the context of the adoption of best corporate governance practices, and, on the other hand, of the Group's strong export orientation, with a view to creating and promoting advanced technological solutions, further strengthening its international presence and ensuring its profitable future. development:

(a) the amendment of the company's current Organization Chart with the addition of new positions and roles and in particular, the addition of the position of Chief Entrepreneur, occupied by the Chairman of the Board of Directors, Mr. Charalambos Stasinopoulos, and

(b) the separation of the responsibilities of the President and the CEO of the Company and the assumption of the position of CEO of the Company on behalf of Mr. Evangelos Angelides.

- The BoD does not appoint an independent Vice-President originating from its independent members. This deviation is counter-balanced by the appointment of an executive Vice-President, since the essential assistance to the President of the BoD by the Vice-President and the provision of every possible help to him, in order to efficiently exercise his executive duties and his responsibilities in general and contribute to the achievement of the corporate objects, is deemed of prior importance. In any case, the non-awarding of the Vice-President capacity to anyone of the independent members of the BoD, does not deprive them in the least of the ability to exercise efficiently and directly their duties, nor does it exert any influence on the operational independence they enjoy. However, in the context of the Company's compliance with corporate governance best practices, the immediate removal of this deviation is also considered.

IV. Duties and conduct of the members of the Board of Directors

- The BoD has not adopted, as part of the Company’s internal regulations, any policies that will ensure that the BoD has adequate information in order to base its decisions regarding the transactions between the related members according to the model of the prudent entrepreneur. These policies should also be applied to the Company's subsidiaries' transactions with the related parties. The Corporate Governance Statement (CGS) should include a special reference to the policies applied by the Company in relation to the above.

Although there is no special and specific policy in this direction, which forms the framework for obtaining sufficient information on the part of the Board of Directors, in order to base its decisions on transactions between the related parties on the model of the prudent entrepreneur, the Board of Directors in managing the corporate affairs and therefore in the transactions between the Company and its related parties, exhibits the care of the prudent entrepreneur, so that these transactions are on the one hand completely transparent and in accordance with the terms and conditions of the market and on the other hand in full compliance with the current regulatory framework, as determined by the relevant provisions of both corporate and tax legislation. The same care is exhibited with regard to the transactions of the Company's subsidiaries with the related parties.

The decisions of the Board of Directors are taken following relevant recommendations of the competent Managers of the Company and after the adequacy, validity and completeness of the information provided to its members has been ensured.

If necessary, the Company will set up a working group to determine the applicable procedures for obtaining sufficient information on the part of the Board of Directors, in order to base its decisions on transactions between the related parties on the model of the prudent entrepreneur. However, at the present time, such a need does not exist in view of the vertical structures of organization and operation of the Company, as, in so far, any member of the Board of Directors has the possibility of direct contact with the relevant Departments in order to obtain all the information that may be needed.

- There is no obligation for detailed notification of any professional commitments of the members of the BoD, (including significant non-executive commitments to companies and non-profit organizations) before their appointment to the BoD.

This deviation is explained by the fact that the members of the Board are distinguished for their high educational level, the demonstration of professionalism and practical dedication to the Company and therefore despite the lack of institutionalized obligation of detailed notification of any professional commitments of the members of the BoD, prior to their election, they would, without further ado, proceed to the said notification if they deemed that there was any risk of conflict of interests or influence of a psychological, professional or financial nature.

V. Nomination of candidates for the Board of Directors

- The members of the BoD are not elected for a maximum term of office of four (4) years.

According to article 19 par. 2 of the current Articles of Association of the Company “the members of the Board of Directors are elected by secret ballot and by an absolute majority, by the General Meeting of the Company's shareholders for five (5) years with term extending automatically until the first Ordinary General Meeting after the end of their term, which in no case may exceed six years ". This deviation is due to the need to avoid the election of a Board of Directors in shorter periods of time, which results to burdening the Company with expenses for keeping the publicity requirements and the continuous submission of legalization documents to the cooperating banks, banking institutions and other legal or natural persons.

Besides, the provision for a maximum term of office of the members of the Board of Directors, rising to four (4) years, carries the risk of the elected BoD not having enough time to complete its work and of putting at risk the effective management of the corporate affairs and the management of the corporate property, due to the frequent alternation of administrations and the possible dissention of opinions that may exist regarding the promotion of the Company's interests and activities.

- There is no committee for nominating candidates for the BoD.

This deviation is justified by the size, structure and operation of the Company, at the present time, which do not render necessary the existence of a committee for the nomination of candidates. Besides, each time an issue occurs for the election of a new Board of Directors, the Management of the Company takes care to ensure the existence and application of absolutely transparent procedures, assesses the size and composition of the BoD under election, examines qualifications, knowledge, opinions, capabilities, experience, moral fiber and integrity of character of the candidates, and hence the mission that would be accomplished by the nomination of candidates committee, were it existent, is fulfilled. However, it should be noted that in view of the provisions of Article 12 of the new Law on Corporate Governance, the Company will establish and maintain this Committee as soon as possible, not only for reasons of regulatory compliance, but with a view to establishing a compact framework for the identification and appointment of persons suitable for the acquisition of membership of the Board of Directors. , which, in view of the skills, theoretical training, professional experience and ethos that distinguishes them, will contribute to the effective organization and operation of this collective body and to the strengthening of the value of the Company.

VI. Operation of the Board of Directors

- There is no specific regulation of operation of the BoD.

This deviation is explained by the fact that the provisions of the Company’s Articles of Association, combined with the provisions of the regulatory law 4548/2018 and the rest of the regulatory framework, are considered to be completely adequate for the organization and the operation, in general, of the Bod, and ensure the full, correct and timely completion of its duties and the sufficient examination of all matters with regard to which it is called to make decisions.

-The BoD, at the beginning of each calendar year, does not adopt a meeting diary and a 12-month action plan, which may be revised according to the needs of the Company.

This deviation is easily understood by the fact that all members of the Company’s BoD are residents of the prefecture of Attica while the headquarters of the Company are also easily accessible and therefore it is easy for the BoD to be convoked and convened, whenever the needs of the Company or the law require it, without the need for the existence of a predetermined action plan. Furthermore, after the harmonization of the Company's Articles of Association with the provisions of Law No. 4548/2018, there is now an explicit statutory provision for the possibility of meeting the Board of Directors by teleconference, regarding to some or all its members, and it is therefore possible to convene that corporate body, whenever necessary, with a view to adequately addressing and resolving the issues arising and taking appropriate decisions.

-There is no provision for the support of the BoD during the exercise of its work, by a competent, specialized and experienced corporate secretary, who will be present during its meetings.

This deviation is due to the existence of a wholesome technological infrastructure for the faithful recording and imprinting of the meetings of the BoD. Furthermore, all members of the BoD are able, if such need arises, to appeal to the services of the Company's legal counsels in order to ensure the compliance of the BoD with the current legal and regulatory framework. It is noted that according to the new CGC, the duties of a corporate secretary can be performed by either a senior employee or the legal counsel, while the corporate secretary's task is to provide practical support to the President and the other BoD members, individually and collectively, with the ultimate goal and object the full compliance of the BoD with the legal and statutory requirements and provisions.

The Company intends to examine in the near future the necessity of establishing a post of corporate secretary, aiming at the even more efficient operation of the BoD and the provision of any required assistance to its members.

-There is no provision for the creation of introductory updating programs for the new members of the BoD and for the continuous professional training and education of the other members.

This deviation is explained by the fact that persons with sufficient and proven experience, a high level of education and established organizational and administrative skills are recommended for election in the BoD. Besides, a basic principle governing the operation of both the Company and the Group is the continuous training and education of its staff and executives and the strengthening of corporate consciousness at all levels through regular training seminars depending on the sector in which each member is active and the tasks with which it has been charged, i.e. the continuous training and education governs, as a matter of principle, the whole philosophy and operation of the Company and is not limited only to the members of the BoD.

- There is no provision for the supply of sufficient resources to the committees of the BoD to fulfill their duties and to hire external consultants to the extent needed.

This deviation occurs due to the fact that the Company's Management examines and approves, on a case-by-case basis, expenses for the possible hiring of external consultants based on the company's needs, from time to time, for the purpose of continuous control and retention at a reasonable level of the Company's operating expenses.

VII. Evaluation of the Board of Directors

- The evaluation of the effectiveness of the BoD and its committees does not take place at least every two (2) years and is not based on a specific procedure. The BoD does not evaluate the performance of its President in a procedure presided over by its independent Vice-President or other non-executive member, in the absence of an independent Vice-President.

At the present time, 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 President of the BoD evaluated during a procedure presided over by the independent Vice-President or any other non-executive member, in the absence of an independent Vice-President. This process is not considered necessary in view of the organizational structure of the Company, as there are no barriers between the members of the Board of Directors and whenever there is a need or there are weaknesses or malfunctions regarding the organization and operation of the Board of Directors, meetings and thorough discussions take place, in which the problems presented are analyzed in detail, criticism is made of decisions reached and other actions or statements of the members of the Board of Directors, without any exception. Besides, the Board of Directors monitors and re-examines in regular intervals, the proper implementation of its decisions, on the basis of the set time schedules, while the efficiency and the general performance of the Board of Directors itself, is evaluated annually by the Ordinary General Meeting of the Company's Shareholders, pursuant to the principles and procedure described in detail both in l. 4548/2018, and the Company's Articles of Association. The Company, with the view to complying with the said practice introduced by the new CGC, is now in the stage of examination of the advisability of establishing a system for the control and evaluation of the Board of Directors, the completion of which is impossible to define with absolute precision of time.

Part B΄

Internal Audit

- No special funds are available to the audit Committee for the use by it, of the services of external consultants.

This deviation is justified by the present composition of the audit Committee, the specialized knowledge and experience of its members, which ensure the proper, legal and efficient operation of the Committee and the fulfillment of its duties in full, so that the use of external consultants' services does not become necessary. In any case, and in compliance with both the provisions of Law 4449/2017 and the existing Rules of Procedure of the Audit Committee, whenever it is deemed appropriate the assistance from external consultants, with a view to further improving the structure and operation of the Commission, the Company's Management will make available to it all the necessary funds, appropriate resources and infrastructure for the effective performance of its tasks.

Part C΄

Remuneration

There is no remuneration Committee, consisting exclusively of non-executive members, independent, in their majority, which has as its object the determination of the remuneration of the executive and non-executive members of the BoD and therefore there are no regulations on the duties of this Committee, the frequency of its meetings and other matters relating to its operation.

This deviation is due to the fact that the establishment of this Committee, in view of the structure and operation of the Company in general, has not been deemed necessary until today and this is because the Management of the Company that oversees the process of determining fees and submitting the relevant proposals, ensures that it (determination of remuneration process) is characterized by objectivity, transparency and professionalism, free from conflicts of interests.

Furthermore, the Company, in accordance with the legislative requirement of Articles 110 and 111 of Law 4548/2018, has developed and adopted a Remuneration Policy, the content of which was adopted by the annual Ordinary General Meeting of Shareholders of 7th May 2020.

The purpose of the developed Remuneration Policy is to increase corporate value through the attraction and maintenance of the most competent, most qualified and experienced executives, who achieve the objectives set by the Management and contribute to the promotion in the best possible way of corporate objectives, interests and activities.

Seeking to safeguard the long-term interests and sustainability of both the Company and the Group, the Remuneration Policy is in line with its business strategy, supports the culture of performance creation, enhances internal transparency, contributes to ensuring capital adequacy and liquidity, aligns the objectives of the Company and the Group with the objectives of the stakeholders (employees, management, shareholders) and encourages persons within its scope to continue to act in order to achieve the best corporate interest.

According to the approved Remuneration Policy, the parameters to be taken into account when determining remuneration, particularly for the executive members of the Board of Directors, are their knowledge and theoretical training, performance, scope of responsibility, responsibilities and operational requirements of the job, wage conditions in the wider labor market , the climate it holds in the domestic economy, as well as the promotion of the business objectives of the Company and the Group and the maximization of their long-term economic value.

It should be noted, however, that after the enter into force of Law 4706/2020, Article 11 of which provides for the obligation to maintain a Remuneration Committee, the Company intends to proceed immediately, by virtue of a decision of the competent corporate body, to the establishment of that Committee, as well as to the fulfilment of any other obligation imposed by the applicable legislation (such as, but not limited to, drawing up a Commission Rules of Procedure, posting it on the Company's website, staffing the Commission by non-executive members of the Board of Directors, regardless of the majority of them, etc.).

-The contracts of the executive members of the BoD do not provide that the BoD may require the return of all, or part of the bonus awarded, due to misconduct or inaccurate financial statements of previous years or in general based on incorrect financial data used to calculate this bonus.

This deviation is explained by the fact that on the one hand the bonus rights mature only after the audit and final approval of the annual financial statements, and on the other hand that up to this day, due to the perfect organization and the audit procedures applied by the Company, the phenomenon of calculating the granted bonus based on inaccurate financial statements or incorrect financial data, has not been observed. However, in order to comply with the above requirement of the CGC, the Management of the Company is seriously considering the possibility of introducing, in the relevant contracts of the executive members of the BoD, a provision on the right of the BoD to demand the return of all or part of the bonus granted, due to misconduct or incorrect financial statements and other financial data.

- The remuneration of each executive member of the BoD is not approved by the BoD following a proposal of the remuneration Committee, without the presence of its executive members.

This deviation is explained by the fact that there is no remuneration Committee pursuant to the abovementioned. It should be noted that the Company's Remuneration Policy was prepared with the diligence and assistance of the non-executive members of the Board of Directors, including its independent members, in order to ensure the correctness, proportionality, suitability and objectivity of the fees proposed for payment and other benefits in general and to avoid any conflicts of interest and influences of psychological content. In any event, this deviation is expected to be lifted following the establishment of the Remuneration Committee provided for in Article 11 of Directive 4706/2020.

Part D΄

Relations with the shareholders

I. Communication with the shareholders

- The Company has not adopted a special practice regarding its communication with the shareholders, which includes the Company's policy on the submission of questions by the shareholders to the BoD. At present, there is no established special procedure regarding the submission of questions by the shareholders to the Board of Directors, since, any of the shareholders is able to address the Shareholder Service, submitting requests and questions, which, if deemed necessary, are transferred in group to the Board of Directors for further process and the relative response or update is sent without delay to the person concerned, always on the basis of the principle of equal treatment of shareholders.

The direct communication of the shareholders with the BoD would create difficulties in the undisturbed operation of the BoD, as it would burden its members with considerable volume of ineffectual work, at large, while at the same time such a communication would be negatively assessed from the perspective of the principle of equal information of the Company's shareholders. Besides, the institutionally existing and operating Service Authority serves exactly this purpose and is responsible for the flow of information circulated in the shareholders.

Furthermore, the provisions of article 141 of l. 4548/2018 describe in a detailed manner the procedure of participation of the minority shareholders in the General Meetings of shareholders, a procedure which is rigidly followed in every Ordinary or Extraordinary General Meeting, in order to ensure, in this way, the proper, valid and timely information of the shareholders in respect of the course of corporate affairs and the Company's assets.

Nevertheless, despite the existence of the abovementioned safety nets, the Company considers the possibility of adopting a special policy in relation to the upgrade of the procedure of submission of questions by the shareholders to the Company, through the Shareholders Service, however, it continues to take the view that direct communication of any shareholder with the members of the BoD is neither necessary, nor appropriate since such a communication would disproportionately burden the members of the BoD in connection with the exercise of their main duties.

II. The General Meeting of the shareholders

No essential deviation has been observed.

1.3 General note regarding the point at which non-compliance of the Company with the special practices adopted by the CGC is lifted.

As mentioned in the Introduction of the present Statement of Corporate Governance, the new CGC, as in force since October 2013, takes the approach "compliance or explanation" and requires the listed companies that choose to apply it, to publicize their respective intention and to either comply with the special practices of the Code in whole, or explain the reasons of their non-compliance with specific special practices.

Furthermore, the relevant explanation of the reasons of non-compliance with specific special practices, in not limited only to a simple reference of the general principle or the special practice with which the Company does not comply, but it must, inter alia, state whether the deviation from the provisions of the Code is limited in time and when the Company intends to become aligned with its provisions.

The Company's deviations from the practices established by the new CGC, cannot be deemed to be subject to a strict time limitation, with the sole exception of the deviations imposed by the new Corporate Governance Act, in which the Company is due to make in the near future, taking into account the entry into force of this Law on 17.07.2021, given that the said practices do not respond to the Company's nature, operation, structure, operational structure, tradition, corporate principles and values, ownership status and needs and it is possible that compliance with them will render more difficult the application of the essence of the Code's principles, which is the point, as any adherence to formalities (regarding the said deviations) would not be beneficial to the Company.

In any case, any Code cannot, nor is it intended to replace the framework of the principles, values and structures of organization and operation of any Company and consequently it is not possible to adopt provisions that are not compatible with these principles. However, the Company, if and when the circumstances make it imperative and essential, will proceed with the preparation and configuration of its own Corporate Governance Code, the identity and arrangements of which will primarily meet the individualized needs and competencies of the Company and will reinforce, in the long term, its competitiveness and success.

1.4 Corporate Governance practices administered by the Company on top of the provisions of law

The Company faithfully administers the text provisions of the above legislative framework regarding corporate governance and is already in the process pf harmonizing with the provisions of the new regulatory framework. At present, there are no applied practices on top of the above provisions.

2. Board of Directors

2.1 Composition and manner of operation of the Board of Directors

The Board of Directors is the superior administrative organ of the Company, which is exclusively responsible for the preparation of the Company's strategy and development policy. The pursuit of strengthening the long-term economic value of the Company, the protection of the general corporate interest and the interest of shareholders, the guarantee of the Company's compliance with the legislation in force, the consolidation of transparency and corporate values across the operations and activities of the Group, the monitoring and resolving any occasions of conflict of interest between members of the BoD, directors and shareholders and the Company's interests, constitute fundamental duties of the Board of Directors.

The Company's Board of Directors, according to article 19 of its Articles of Association, as in force after its amendment by the annual Ordinary General Meeting of the shareholders dated 8th May 2019, with the object of alignment with the provisions of l. 4548/2018, consists of five (5) to eleven (11) members, natural or legal persons, which are elected by the General Meeting of the shareholders by secret ballot and by absolute majority of votes that are represented in the Meeting. In the case of a legal person, it is obliged to appoint a natural person to exercise the powers of the legal entity as a member of the Board of Directors. The natural person is jointly and severally liable with the legal person for the corporate management. The members of the Board of Directors may be unlimitedly re-elected and are freely revocable by the General Meeting regardless of the expiration of their term of office.

The term of office of the members of the Board of Directors is five (5) years and shall be extended until the expiry of the period within which the next Ordinary General Meeting must meet and until the decision is taken, which in no case may exceed six years.

The General Meeting may also elect alternate members, the number of which is determined by the relevant decision of the General Meeting that elects them and may not exceed a maximum of the number of elected regular members of the BoD. The alternate members can only be used for the replacement according to article 22 of the present, of a member or members of the BoD who resigned or died or lost their status in any other way.

Upon taking office, the members of the Board of Directors receive official introductory update, while throughout their term of office the President ensures the continuous expansion of their knowledge on issues concerning the Company, their familiarity with it and its executives, so that they can contribute effectively and creatively to the work of the BoD.

The Board of Directors meets whenever the law, the Articles of Association or the needs of the Company require it, at the invitation of its President or its replacement or by two (2) of its members either at the Company's registered office or in the region of another Municipality within the prefecture of its office. The invitation must also clearly state the items on the agenda, otherwise decision making is allowed only if all members of the Board of Directors are present or represented and no one opposes the decision.

It is also convoked at any time by its President or if requested by two of its members, in accordance with the provisions of Article 91 of l. 4548/2018, as in force. The Board of Directors meets validly outside its seat in another place, either domestically or abroad, as long as all its members are present or represented at this meeting and no one 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 teleconference. The meetings of the Board of Directors are chaired by its President or his legal replacement.

The Board of Directors is in quorum and meets validly when one-half (1/2) plus one of the directors is present or represented, but the number of present or represented directors may never be less than three (3).

The decisions of the Board of Directors are taken by an absolute majority of the directors present and those represented, except in the case of paragraph 3 of Article 7 of the Articles of Association. An absent director may be represented by another director. Each director may represent only one director who is absent.

Minutes are kept for the discussions and decisions of the Board of Directors. Copies and excerpts of the minutes of the Board of Directors are validated by the President or his replacement, in case of his impediment or by a General Manager of the Company. The preparation 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 no previous meeting has taken place. This arrangement also applies where all the directors or their representatives agree to record their majority decision in minutes without meeting. The relevant minutes are signed by all the directors.

It is prohibited for the members of the Board of Directors as well as for the Directors of the Company, to engage, without the permission of the General Meeting, and for their own account or the account of third parties, except for the Companies in which they already participate, in actions falling within the category of objects 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 has the right to compensation, according to article 98 par. 2 of l. 4548/2018.

The Board of Directors may assign the exercise of all or part of its powers and responsibilities (except for those that require collective action) as well as the internal control of the Company and its representation, to one or more persons, non-members or, if the law does not forbid, to members of the Board of Directors, determining at the same time the extent of this assignment. These persons may, by relevant provision in the assignment decisions of the Board of Directors, further assign the exercise of powers assigned to them or part thereof, to third parties. However, the responsibilities of the Board of Directors are subject to articles 19 and 99-10 of l. 4548/2018, as currently in force.

If, for whatever reason, there is a vacancy in the Board owing to resignation, decease, or loss of member status in any other way, the remaining Directors are obliged, on condition they are at least three, to elect a temporary replacement for the rest of the term of the Director who is being replaced, on condition that this replacement is not feasible by the alternate members, that may have been elected by the General Meeting. The decision of the election is subject to the publicity requirements of article 13 of l. 4548/2018 and is announced by the Board of Directors in the immediately next General Meeting, which may replace the persons elected, even if no such item has been listed on the agenda.

In the event of resignation, decease or loss of the member (or members) status in any other way, the remaining members may continue the management and representation of the Company even without the replacement of the missing members, according to the previous paragraph, on condition that their number is greater than one half of the members, as they stood prior to the occurrence of the above events. In any event, these members must not be less than three (3). In any case, the remaining members of the Board of Directors, regardless of their number, may convoke the General Meeting with the sole purpose the election of a new Board of Directors. The actions of the directors that have been elected in this way are deemed valid, even in the case where their election is not approved by the General Meeting.

2.2 Information on the members of the Board of Directors

The current Board of Directors of the Company consists of seven members, which are the following:

1) Charalambos Stasinopoulos of Panagiotis, President, Executive Member.
2) Spyridon Barbatos of Antonios-Ioannis, Vice-President, Executive Member.

3) Evangelos Angelides of Ioannis, Managing Director, Executive Member
4) Konstantinos Mantzavinatos of Georgios, Executive Member.
5) Aristeides Heliopoulos of Spyridon, Non-Executive Member.
6) Emmanuel Tsiritakis of Dimitrios, Independent, Non-Executive Member.
7) Antonios Roussos of Antonios, Independent, Non-Executive Member.

The above Board of Directors was elected by the annual Ordinary General Meeting of the Company's shareholders that was held on 7th May 2020 and its term of office is five years, valid until 7th May 2025.

The Minutes of the annual Ordinary General Meeting of the Shareholders of the Company on the election of a new Board of Directors as well as the Minutes of its establishment in a body and the determination of the rights to bind and represent it were entered in the General Commercial Register (G.E.M.I.) on 02.06.2020 with Registration Codes (CIS) 2143619 and 2143620 respectively, issued in this regard under protocol number 1981007/02.06.2020 related notice of the Department of Supervision of Listed S.A. & Sports S.A. of the Directorate of Companies of the Directorate-General for Market of the General Secretariat for Trade & Consumer Protection of the Ministry of Development & Investment.

The Board of Directors of the Company at its meeting of 30th November 2020, in the context of the adoption of best corporate governance practices and with a view to further strengthening the Group's international presence and ensuring its profitable future growth decided:

(a) the amendment of the company's current Organization Chart with the addition of new positions and roles and in particular the addition of the position of Chief Entrepreneur, occupied by the Chairman of the Board of Directors, Mr. Charalambos Stasinopoulos, and

(b) the separation of the responsibilities of the President and the CEO of the Company and the assumption of the position of CEO of the Company by Mr. Evangelos Angelides.

The date of application of these changes was 2nd December 2020.

The reconstruction of the Board of Directors into a body was registered in the General Commercial Register (G.E.M.I.) on 11th December 2020 under Registration Code Number (CIS) 2415340, issued in this regard by protocol number 2287489/11.12.2020 notice of the Department of Supervision of Listed S.A. & Sports S.A. of the Directorate of Companies of the Directorate-General for Market of the General Secretariat for Trade & Consumer Protection of the Ministry of Development & Investment.

The CVs of the members of the Board of Directors of the Company are available on the company's website, at the following link: https://www.Profilesw.com/el/bod-and-executives.php

2.3 Audit Committee

The Company, in full compliance with the provisions and requirements of l. 4449/2017 elected at its Ordinary General Meeting of shareholders that took place on 7th May 2020 the Audit Committee, consisting of the following non-executive members of the Company's Board of Directors:

1) Mr. Emmanuel Tsiritakis –independent, non-executive member
2) Mr. Antonios Roussos, independent, non-executive member and
3) Mr. Aristeides Heliopoulos, non-executive member.

It is noted that, of the above members, the first two (2) are also independent non-executive members of the Board of Directors.
Mr. Emmanuel Tsiritakis of Demetriou, was appointed as the Chairman of the Audit Committee beginning on 07.05.2020 and ending on 07.05.2025.

The responsibilities and obligations of the Audit Committee consist in the following:

(a) Update of the Company's Board of Directors on the outcome of the compulsory audit and interpretation of the contribution of the compulsory audit to the integrity of financial update,

(b) Monitoring the procedure of financial update and the submission of recommendations or proposals to ensure its integrity,
(c) Monitoring the efficient operation of the internal audit system and risk management system, as well as monitoring the correct operation of the unit of the internal auditors of the Company,
(d) Monitoring the course of compulsory audit of the Company's annual financial statements (corporate and consolidated),
(e) Monitoring and reviewing the independence of the Certified Auditors-Accountants and in particular the appropriateness of the provision of non-audit services to the audited entity and finally,
(f) Proceeding with the selection process of Certified Auditors-Accountants or audit firms and proposes the Certified Auditors-Accountants or audit firms to be appointed.

The mission of the Audit Committee is to ensure the efficiency and productiveness of the corporate works, to check the credibility of the financial information provided to retail investors and the shareholders, to make sure that the Company complies with the existing legislative and regulatory framework, to safeguard the investments and the Company's assets and to locate and confront the most significant risks.

The audit Committee's broad auditing authority includes, *inter alia,* monitoring the proper and efficient operation of the internal audit and risk management system, checking the financial statements before they are approved by the Board of Directors, monitoring the financial update process administered by the Company, ensuring the coordination of the audit work, the quality, the independence and the performance of the Auditors.

The Audit Committee, during the financial year 2019 (01.01.2020-31.12.2020) convened 5 times.

The topic of its meetings concerned the monitoring of the financial reporting process, the discussion of issues concerning the Certified Auditor in the context of the regular audit, the audit of the effective functioning of the Company's internal control system. In addition, the Audit of drafting and compliance with the Laws, the content and obligations of disclosure and publicity of the annual and half-yearly financial report as well as the audit of completeness in relation to the information that has been brought to the attention of the Commission and the accounting principles applied by the Company. Also, important tasks and responsibilities of the Commission are the participation and responsibility of the selection process of Certified Auditors of Accountants or Audit Companies as well as the submission of a proposal-recommendation to the General Assembly for the appointment of Certified Auditors. Within the framework of the above competence, the members of the committee initiated the communication with audit companies for the collection of cooperation offers and resulted in the submission of a proposal – a proposal to the General Meeting of Shareholders. Following its election by the 2020 Annual Ordinary General Meeting, the Audit Committee was set up in a body to further plan its workflow.

It should be clarified that the Annual Auditor of the Company, who conducts the audit of the annual and interim financial statements, does not provide any other kind of non-auditing services to the Company, nor is he connected with the Company in any other way, in order to ensure in this way his objectivity, impartiality and independence, with the only exception being the trust services regarding the conducting of the special tax audit required according to the provisions of article 65A of l. 4174/2013, in consequence of which the "Annual Tax Certificate" is issued, along with the relevant Report.

3. General Meeting of shareholders

3.1 Mode of operation of the General Meeting and its basic powers

The General Meeting of the Company's shareholders is its supreme organ and entitled to decide on any affair concerning the Company and resolve all matters submitted to it. The General Meeting is solely responsible to decide on the following:

a. Amendments of the Articles of Association (as amendments are considered also the increases, ordinary or extraordinary, as well as the decreases of the capital),
b. The election of the members of the Board of Directors and Auditors,
c. The approval of management as a whole, pursuant to article 108 of l. 4548/2018 and the release of the Auditors,
d. The approval of the annual and consolidated financial statements,
e. The distribution of the annual profits,
f. The approval of remuneration or advance payment thereof pursuant to article 109 of l. 4548/2018,
g. The approval of remuneration policy of article 110 and the remuneration report of article 112 of l. 4548/2018,
h. The merger, split-up, conversion, revival, extension of duration or dissolution of the Company, and
i. Appointment of liquidators.

The legal decisions of the General Meeting are binding on the shareholders that are absent or dissidents.

The General Meeting of the shareholders is convoked by the Board of Directors and convenes necessarily at the Company's registered office or in the region of another Municipality within the registered office, at least once in every financial year, at the latest until the tenth (10th) calendar day of the ninth month after the expiry of the financial year. The General Meeting may also convene in the region of the Municipality where the seat of the regulated marked is. The Board of Directors may convoke an extraordinary General Meeting of the shareholders, when it deems it advisable or if it is requested by shareholders representing the required by law or the Articles of Association percentage, according to the provisions of article 8 of the Articles of Association.

The General Meeting, except for reconvened meetings and those assimilated to them must be convoked at least twenty (20) days prior to the fixed day of the meeting. It is clarified that non-working days are also included. The day of publication of the invitation and the day of the meeting are not included.

The invitation of the shareholders to the General Meeting, must state the date, day, time and premises where the Meeting is to convene, the items on the agenda with clarity, the shareholders entitled to participate, as well as exact instructions on the way the shareholders may participate in the meeting and exercise their rights, either in person or by proxy or possibly from a distance.

The General Meeting is in quorum and validly convenes to discuss the items on the agenda, when at least one fifth (1/5) of the paid-up share capital is being represented in it. If no such quorum is achieved, then the Meeting reconvenes within twenty (20) days from the date of the cancelled meeting, by invitation at least ten (10) days in advance. This reconvened meeting is in quorum and validly convenes on the items on the agenda, whatever portion of the paid-up share capital may be represented in it.

The decisions of the General Meeting are reached by absolute majority of the votes represented in the Meeting. Exceptionally, the General Meeting is in quorum and validly convenes on the items on the agenda when shareholders representing one half (1/2) of the paid-up share capital are present or represented in it, regarding decisions concerning:

a. Change of Company's nationality,
b. Change of the Company's business object,
c. Increase of the shareholders' responsibilities,

d. Ordinary increase of the share capital, unless it is imposed by law or is affected through capitalization of reserves or capital decrease, unless it is done according to paragraph 5 of article 21 or paragraph 6 of article 49 of l. 4548/2018,
e. Issuance of loan with convertible bonds, according to article 71 of l. 4548/2018,
f. Change in the manner of profit distribution,
g. Extension of the duration or dissolution of the Company,
h. Merger, split-up, conversion, revival of the Company,
i. Granting or renewing of authority to the Board of Directors to increase the share capital according to par. 1 of article 24 of l 4548/2018,
j. In any other case, in which the law stipulates that for the General Meeting to reach a certain decision an increased majority is required.

If the quorum of the previous paragraph is not met at the first meeting, within twenty (20) days from this meeting and at an invitation of at least ten (10) days in advance, without prejudice to par. 4 of the present article, the meeting reconvenes, which is in quorum and validly convenes on the items of the initial agenda, when at least one fifth (1/5) of the paid-up share capital is represented in it.

A newer invitation is not required, if the time and place of the repeat meeting have already been stated in the original invitation, provided there are at least five (5) days between the cancelled and the reconvened meeting. All decisions of paragraph 1 of the present article shall be taken by a majority of two thirds (2/3) of the votes represented in the Meeting.

The General Meeting is temporarily chaired by the President of the Board of Directors or if he is impeded, by its deputy. The duties of secretary are temporarily exercised by the person designated by the President. After the list of shareholders with a right to vote is approved, the meeting proceeds to the election of its President and of a Secretary who shall also be the teller.

The discussions and resolutions of the General Meeting are limited to the items on the agenda. The items discussed and resolved upon in the General Meeting are recorded in minutes which are signed by the President and the Secretary of the Meeting.

The copies and of the General Meeting are validated by its President and if he is impeded or refuses to do so, by the President of the Board of Directors or his replacement or the General Manager of the Company.

3.2 Rights of shareholders and mode of exercise thereof

Rights of participation and vote

The shareholders exercise their rights, in relation to the Management of the Company, solely in the General Meetings and according to the provisions of law and the Articles of Association. Each share provides the right of one vote in the General Meeting, without prejudice to the provisions of article 50 of l. 4548/2018, as currently in force.

In the General Meeting are entitled to participate those who have the shareholder status at the beginning of the fifth (5th) day prior to the day of convention of the Company's General Meeting (record date). The above record date also applies in the case of postponement or reconvention, provided that the postponed or reconvened meeting is not more than thirty (30) days from the record date. If this is not met or if in the case of the repeat General Meeting a new invitation is published, according to the provisions of article 130 of l. 4548/2018, in the General Meeting participate those who have the shareholder status at the beginning of the third (3rd) day prior to the day of the postponed or reconvened General Meeting.

The shareholder status may be evidenced by any legal means and in any case, based on update received by the Company by the Central Securities Depository, if there is a registry service available or through the mediators participating and registered in the Central Securities Depository, in any other case.

As far as the Company is concerned, anyone who bears the shareholder status at the respective record date is entitled to participate and vote in the General Meeting. In case of non-compliance with the provisions of article 124 of l. 4548/2018, the said shareholder participates in the General Meeting unless the General Meeting refuses this participation for a significant reason that justifies its refusal.

It is noted that the exercise of the said rights (participation and vote) does not require the blocking of shares of neither the beneficiary nor any other similar procedure, which limits the possibility of their sale and transfer during the period between the record date and the General Meeting's convention.

The shareholder participates in the General Meeting and votes either in person or by proxy. Each shareholder may appoint up to three (3) representatives. Legal persons participate in the General Meeting by appointing as their representatives up to three (3) natural persons. However, if the shareholder holds company shares, which appear in more than one securities account, this limitation does not prevent the said shareholder from appointing different representatives for the shares appearing in each securities account with regard to the General Meeting. A representative acting on behalf of several shareholders may vote differently in respect of each shareholder. The shareholders' representative must notify to the Company, before the commencement of the General Meetings' convention, every specific event, which may be useful to the shareholders in order to assess the risk of the representative serving other interests but the interests of the represented shareholder.

In the sense of the present paragraph, a conflict of interest may arise, especially where the representative:

a. Is a shareholder exercising the control of the Company or is another legal person or entity which is controlled by this shareholder,
b. Is a member of the Board of Directors or of the general management of the Company or shareholder exercising the control of the Company, or other legal person or entity which is controlled by a shareholder who exercises the control of the Company,
c. Is an employee or auditor of the Company or of a shareholder exercising the control of the Company, or of other legal person or entity which is controlled by a shareholder who exercises the control of the Company,
d. Is a spouse or blood relative of first degree of one of the natural persons stated in cases (a) to (c) above.

The appointment and recall of a shareholders' representative is done in writing and is notified to the Company, with the same formalities, at least three (3) days prior to the date of the General Meetings' convention.

3.2.2 Other rights of shareholders

Ten (10) days prior to the Ordinary General Meeting, every shareholder may take from the Company copies of its annual financial statements and of the reports of the Board of Directors and the auditors. These documents must be deposited in time by the Board of Directors to the Company's office.

By a request of shareholders representing one twentieth (1/20) of the paid-up share capital, the Board of Directors is obliged to convoke an Extraordinary Meeting of the shareholders, setting a date for its meeting, which must not be more that forty-five (45) days from the date of the service of the request to the President of the Board of Directors. The request contains the object on the agenda. If a General Meeting is not convoked by the Board of Directors within twenty (20) days from the service of the relevant request, the convocation is conducted by the requesting shareholders at the expense of the Company, by a court decision, issued pursuant to the interim measures' proceedings. This decision states the place and time of the convention, as well as the items on the agenda. The decision is not subject to judicial appeals.

By a request of shareholders representing one twentieth (1/20) of the paid-up share capital, the Board of Directors is obliged to register on the agenda of a General Meeting that is already convoked, additional items, if the relevant request reaches the Board of Directors at least fifteen (15) days before the General Meeting. The additional items must be published or notified with the responsibility of the Board of Directors, pursuant to article 122 of l. 4548/2018, at least seven (7) days before the General Meeting. If these items are not published, the requesting shareholders are entitled to ask for the postponement of the General Meeting according to paragraph 5 of article 141 of l. 4548/2018 and to proceed themselves to the publishing, pursuant to the provisions of the previous sub-paragraph, at the Company's expense.

By a request of shareholders representing one twentieth (1/20) of the paid-up share capital, the Board of Directors avails the shareholders, pursuant to the provisions of article 123 par. 3 of l. 4548/2018, at least six (6) days before the date of the General Meeting, with drafts of decisions on items that have been included in the initial or the revised agenda, if the relevant request is received by the Board of Directors at least seven (7) days before the date of the General Meeting.

Upon request of any shareholder submitted to the Company at least five (5) full days before the General Meeting, the Board of Directors must provide the General Meeting with the requested specific information on the Company's affairs, so far as they are related to the items on the agenda.

In case of request of a shareholder or shareholders representing one twentieth (1/20) of the paid up share capital, the President of the Meeting is obliged to postpone, only once, the decision making by the Extraordinary or Ordinary General Meeting, on all or certain items, designating as the day for the continuance of the meeting for them to be resolved upon, the day that is specified in the request of the shareholders, but which may not be more than twenty (20) days from the day of the postponement. The General Meeting after the postponement constitutes a continuance of the previous meeting and the repetition of publicity requirements of the shareholders' invitation is not required. In this meeting new shareholders may participate provided that the participation requirements are observed.

In case of 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 before the General Meeting, the Board of Directors must announce to the General Meeting, if Ordinary, the amounts paid during the last two years to each member of the Board of Directors or the Company's managers, as well as every contribution to these persons, from whatever cause or agreement of the Company with them. The Board of Directors may refuse to provide the information requested of it, on the basis of a significant substantial reason, which is recorded in the minutes. Such reason could be, depending on the circumstances, the representation of the requesting shareholders, in the Board of Directors, according to articles 79 or 80 of l. 4548/2018.

In case of request of shareholders representing one tenth (1/10) of the paid-up share capital which is submitted to the Company within the deadline of the previous paragraph, the Board of Directors is obliged to provide the General Meeting with information relating to the course of corporate affairs and the property status of the Company. The Board of Directors may refuse to provide the information requested of it for a significant substantial reason, which is stated in the minutes. Such reason could be, depending on the circumstances, the representation of the requesting shareholders, in the Board of Directors, according to article 79 or 80 of l. 4548/2018, provided that the respective members of the Board of Directors have received the relevant information in a sufficient way.

In case of request of shareholders representing one twentieth (1/20) of the paid-up share capital, any decision making on any item on the agenda of the General Meeting is carried out by roll call.

Shareholders representing one twentieth (1/20) of the paid-up share capital, have the right to request an extraordinary audit of the Company by the court, which rules pursuant to voluntary proceedings. The audit is ordered if any actions violating the provisions of law or the Articles of Association or any resolutions of the General Meeting are considered likely.

Shareholders of the Company, representing one fifth (1/5) of the paid-up share capital, have the right to request the court to order the audit of the Company, if from the Company's course, but also on the basis of specific indications, it is believed that the management of the corporate affairs is not conducted in the way dictated by good and prudent administration. The court may decide that the representation of the requesting shareholders in the Board of Directors, according to articles 79 or 80 of l. 4548/2018, does not justify the request of the shareholders, based on the present article.

4. Internal controls system and risk management

4.1 Main characteristics of the internal controls system

The internal control of the Company is conducted by the internal audit Service and takes place according to the audit program contained in the Internal Operation Regulation adopted and approved by the Company, which (Regulation) has already been put in the process of being re-evaluated in order to be in accordance with the provisions of Article 14 of Law 4706/2020, after the adoption of the new law on corporate governance. It is noted that the audit, based on which the relevant Report is also drafted, is conducted within the regulatory framework of l. 3016/2002, as currently is in force till 17.07.2021, and then in accordance with the provisions and regulations of Legislative 4706/2020.

An essential concern of the Management of the Company is to ensure, through the application of suitable internal control systems that the entire organization of the Group can nip speedily and efficiently any risks in the bud and at any rate to take suitable and appropriate measures to alleviate their consequences and adverse effects.

In conducting the audit, the internal audit Service takes into consideration all necessary books, documents, records, bank accounts and portfolios of the Company and requests the absolute and constant cooperation of the Management in order that all requested information and data are given it, with the aim to acquire a reasonable assurance for the drafting of a Report which will be free of substantial inaccuracies regarding the information and conclusions contained therein. The audit does not include any evaluation of the suitability of the accounting policies that have been applied nor of the reasonableness of assessments made by the Management, as these constitute the object of audit by the legal auditor of the Company.

The object of the audit is the evaluation of the greater level and the operation procedures of the internal controls system. In each audited period certain areas - control fields are selected, while in a fixed and permanent basis are audited and examined on the one hand the operation and organization of the Company’s Board of Directors and on the other, the operation of the two main Services operating based on the provisions of l. 3016/2002, i.e., the Shareholders Service and the Corporate Announcements Service.

It is noted however, that the internal controls and risk management systems provide reasonable but not absolute safety, because they are designed to limit the possibility of the relevant risks occurring, without however being able to exclude them entirely.

4.2 Management of the Company’s risks in relation to the process of drafting of the financial statements

The Group has invested considerable amounts of money in the development, upgrade and maintenance of advanced computerized infrastructures that ensure, through a series of information processes, safety nets and levels, the correct and accurate representation of economic sizes and data and at the same time, their back up storage at any time.

The established policies and procedures are evaluated at regular intervals and are re-defined in case where it is found that they are not adequate or that the existing legislative provisions require it.

At the same time, the analysis and processing of results is carried out daily, covering all important fields of the business activity.

Comparisons are made between actual, historical, and budgeted revenues and expenses accounts with sufficient detailed explanation of all significant discrepancies. Through all the above procedures and safety mechanisms, any risk related to the drafting of the financial statements (corporate and consolidated) is minimized.

5. Other administrative or supervisory organs or committees of the Company

At the present time, there are no other administrative or supervisory organs or committees of the Company. As announced after the adoption of the new corporate governance law, the Company will proceed to the establishment of the new Committees (Remunerations and Nominations).

6. Additional information

6.1 Article 10 par. 1 of Directive 2004/25/EC of the European Parliament and of the Council of 21st April 2004, regarding public takeover bids, stipulate the following in relation to companies whose total of securities is admitted to trading on a regulated market:

Member states make sure that the companies stated in article 1 paragraph 1 publish detailed information as to the following:

a. their capital structure, including securities that are not admitted to trading on a member state regulated market and, as is the case, indication of the several categories of shares with the rights and obligations associated with each category of shares and the percentage they represent on the total share capital,
b. all restrictions in transfer of securities, such as restrictions on the holding of securities or the obligation to receive the approval of the company or of other holders of securities, without prejudice to article 46 of Directive 2001/34/EC,
c. The significant, direct or indirect participations (including indirect participations through pyramid structures or cross-shareholdings) in the sense of article 85 of directive 2001/34/EC,
d. The holders of any kind of securities that provide special control rights and description of these rights,
e. The control mechanism that might be provided for in a system of employee's participation, on condition that the control rights are not directly exercised by the employees,
f. any kind of limitations to the right to vote, such as the limitations to the rights to vote in holders of a given percentage or number of votes, the deadlines for the exercise of the rights to vote, or systems in which, with the company's cooperation, the financial rights derived from securities are distinguished from the holding of the securities,
g. The agreements between shareholders which are known to the company and may entail limitations in the transfer of securities and/or the rights to vote, in the sense of directive 2001/34/EC,
h. The rules regarding the appointment and replacement of members of the Board as well as regarding the amendment of the articles of association,
i. The powers of the members of the Board, especially as to the possibility of issuance or repurchase of shares,
j. every important agreement in which the company participates, and which starts to take effect, gets amended or expires in case of change in the control of the company, following a public takeover bid and the results of this agreement, unless if, owing to its nature, its being publicized would cause serious damage to the company. This exception does not apply where the company is expressly obliged to publicize similar information based on other legal requirements,
k. every agreement the company has entered with the members of its Board or its staff, which provides for compensation in case of resignation or dismissal without substantial reason or if their employment is terminated due to the public takeover bid.

6.2 In relation to cases c', d', f', h' and i' of par. 1 of article 10, the Company states the following:

- as to case c΄΄: the significant direct or indirect participations of the Company are analyzed in Section E' «Significant transactions with related parties».
- As to case d΄: there are no securities of any kind (including shares), which provide special control rights.
- as to case f΄: there are no known restrictions to the right to vote (such as restrictions of the rights to vote in holders of a given percentage or number of votes, deadlines for the exercise of the rights to vote, or systems in which, with the Company's cooperation, the financial rights derived from securities are distinguished from the holding of securities). Regarding the exercise of the rights to vote at the General Meeting, there is an extensive reference in Section 3 of the present Corporate Governance Statement.
- as to case h΄: as concerns the appointment and replacement of members of the Company's Board of Directors as well as the issues related to the amendment of the Company's Articles of Association, there are no rules which differ from the provisions of l. 4548/2018, as currently in force. These rules are described in detail in Section 2.1 of the present Corporate Governance Statement.
- As to case i΄: there are no special powers of the members of the Board of Directors as regards the issuance or repurchase of shares. It is noted that by virtue of the relevant decision of the annual Ordinary Meeting of shareholders dated 11 May 2018, it was approved, inter alia, the purchase by the Company, according to the provisions of the earlier article 16 of the regulatory law 2190/1920, within a period of twenty four (24) months from the date on which this decision was made, namely until 11 May 2020 at the latest, of one million shares (1.000.000) at maximum, which correspond to a percentage smaller than 10% of the existing shares of the Company, at a purchase price range fifty cents to a Euro (€ 0,50) per share (at minimum) and five Euro (€ 5,00) per share (at maximum), while at the same time the authorization was granted to the Board of Directors to appropriately implement the said procedure.

The Company, during the closing year 2020 (01.01.2020-31.12.2020) proceeded to the purchase of 284.596 equity, common, registered shares, at the average acquisition price of 3,5923 Euro per share, which correspond to a percentage of 2,39% of its share capital. At the same time, it proceeded to the sale of 776.264 equity, common, registered shares. Specifically, January 30th 578.264 equity, common, registered shares, at the sale price of 4,00 Euro per share and November 4th 198.000 equity, common, registered shares, at the sale price of 3,70 Euro per share.

Within the current year 2021 and up to the 23rd April, the Company has proceeded to the purchase of 99.254 equity, common, registered shares, at the average acquisition price of 5,02 Euro per share, which correspond to a percentage of 0,83% of its share capital.

Nea Smyrni, 26 April 2021
The Company's Board of Directors

The President of the Board of Directors
Charalambos Stasinopoulos

Independent Auditor's Report

To the Shareholders of PROFILE SYSTEMS & SOFTWARE S.A.

Report on the Audit of the Separate and Consolidated Financial Statements

Opinion

We have audited the accompanying separate and consolidated financial statements of PROFILE SYSTEMS & SOFTWARE S.A. (the Company), which comprise the separate and consolidated statement of financial position as at 31 December 2020, the separate and consolidated statements of income and other comprehensive income, 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 PROFILE SYSTEMS & SOFTWARE S.A. and its subsidiaries (the Group) as at 31 December 2020, their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as incorporated into the Greek Legislation. 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 are independent of the Company and its consolidated subsidiaries throughout our appointment in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), as incorporated into the Greek Legislation and 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 the requirements of the current legislation and the above-mentioned 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 audited 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.

Key audit matter	Addressing the audit matter
1. Recognition and Impairment of intangible assets	
As at 31 December 2020 in the Annual Financial Report, the Group presents Goodwill of amount € 1.232 thousand (€ 1.452 thousand at 31.12.2019) and Intangible assets of amount € 5.322 thousand (€ 4.925 thousand at 31.12.2019). According to the requirements of IAS 36 the goodwill and the intangible assets with an indefinite useful life are tested for impairment at least on an annual basis, while intangible assets with a finite useful life are tested for impairment if there are indications of impairment. Intangible assets acquired separately are recognised at cost, while those acquired through Business combinations are recognised at fair value at the date of acquisition. For an intangible asset that does not generate significant independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the intangible asset belongs. It is noted that the most significant asset included in the item of the Statement of Financial Position "Intangible assets", refers to software development costs, which is recognised at cost and has a finite useful life. We focused on this area both because of the significant amount of the item in the consolidated financial statements and the estimates and assumptions used by Management in the frame of the impairment testing. More detailed information regarding this matter is included in Notes 3.2, 12 and 13 of the annual financial report.	Our audit procedures regarding the recognition and impairment of intangible assets included, among other the following: • Regarding the recognition of intangible assets, we examined whether these meet the recognition criteria provided in IAS 38 "Intangible assets". • We assessed Management's estimates on whether there are indications of impairment for intangible assets. • Regarding the impairment testing of goodwill, we evaluated the reasonableness of the assumptions of the valuation models (projected cash flows, discount rates, etc.) and generally the appropriateness of the methodology used to determine the value in use. • We assessed the reliability of Management's forecasts, by comparing the actual performance, against previous forecasts. Also, we assessed the adequacy and appropriateness of the disclosures in Notes 3.2, 12 and 13 of the annual financial report.
2. Recoverability of receivables	

2.Recoverability of receivables	
At 31 December 2020 the Group's trade receivables amount to € 3.699 thousand (€ 3.949 thousand at 31.12.2019). In these balances is included a provision for impairment amounting € 4.441 thousand (€ 4.427 thousand at 31.12.2019). Also, contested receivables amounting € 2.556 thousand are included in the account other receivables (€ 2.556 thousand at 31.12.2019). Management assesses the recoverability of the Group's receivables and assesses the required impairment provision for expected credit losses. In order to assess the required provision for impairment of overdue or contested receivables, management reviews the maturity of customers' balances and their credit history, assesses the customer's ability to repay and the expected time of collection and takes into consideration the estimates of its Legal Advisor regarding the contested receivables in general. We consider the assessment of recoverability of the Company's receivables to be one of most significance matter, on the one hand because receivables are among the main Assets items and on the other hand because of the critical estimates and judgments of the Management. Information regarding the company's accounting policies for receivables, is stated in Notes 3.8, 16 and 17 of the annual financial report.	Our audit procedures regarding the recoverability of trade receivables included, among other the following: • Understanding credit control procedures and main control for granting credit to customers. • Understanding the procedure in terms of monitoring trade receivables and factors (data, assumptions and technical considerations) that are taken into account for assessing the provision for impairment. • We assessed that the methodology applied by Management is consistent with the provisions of IFRS 9. • Examination of lawyers' reply letters, on matters they handle, for identifying any matters indicating trade receivables balances that are not recoverable in the future. • Receiving confirmation letters from third parties for a representative sample of trade receivables and performance of procedures after the date of the financial statements for receipts of year-end receivable balances. • Assessment of the adequacy and appropriateness of the disclosures in Notes 3.8, 16 and 17 of the annual financial report.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Board of Directors' Report for which reference is made to the "Report on other Legal and Regulatory Requirements", to the Statements of the Members of the Board of Directors and to any other information which either is required by specific legal provisions either the Company has optionally incorporated into the provided by the L. 3556/2007 Annual Financial Report, but does not include the financial statements and the 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 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 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 IFRSs, as adopted 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 Company and 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 into the Greek Legislation, 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 into the Greek Legislation, we exercise professional judgement and maintain professional skepticism 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 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 and 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 company and of its subsidiaries 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 audited 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 the Corporate Governance Statement included in this report, according to the provisions of paragraph 5 of article 2 of L. 4336/2015 (part B'), we note that:

a) The Board of Directors' Report includes the Corporate Governance Statement that provides the data and information defined under article 152 of L. 4548/2018.

b) In our opinion the Board of Directors' Report has been prepared in accordance with the applicable legal requirements of the article 150 and 153 and the paragraph 1 (cases c' and d') of the article 152 of L. 4548/2018 and its content corresponds with the accompanying financial statements for the year ended 31/12/2020.

c) Based on the knowledge we obtained during our audit of PROFILE SYSTEMS & SOFTWARE S.A. and its environment, we have not identified any material misstatements in the Board of Directors' Report.

2. Additional Report to the Audit Committee

Our audit opinion on the accompanying separate and consolidated financial statements is consistent with the Additional Report to the Company's Audit Committee referred to in Article 11 of European Union (EU) Regulation 537/2014.

3. Provision of Non-Audit Services

We have not provided to the Company and its subsidiaries the prohibited non-audit services referred to in Article 5 of EU Regulation 537/2014 or other permitted non-audit services.

4. Auditor's Appointment

We have been appointed for the first time Certified Auditors Accountants of the Company by the dated 30/06/2006 decision of the annual ordinary general meeting of shareholders. Since then our appointment has been continuously renewed for a total period of 15 years based on the annual decisions taken by the ordinary general meeting of shareholders.

Athens, 27 April 2021

Nikolaos A. Nikolopoulos
Certified Public Accountant Auditor
Institute of CPA (SOEL) Reg. No. 20961

SOL S.A.
Member of Crowe Global
3, Fok. Negri Str., 112 57 Athens, Greece
Institute of CPA (SOEL) Reg. No. 125

ANNUAL FINANCIAL STATEMENTS OF THE YEAR 2020

STATEMENT OF FINANCIAL POSITION

	NOTE	GROUP		COMPANY	
ASSETS		**31.12.2020**	**31.12.2019**	**31.12.2020**	**31.12.2019**
Non-current Assets					
Tangible Assets	11	4.649.062	5.145.364	4.322.456	4.454.593
Right-of-use Assets	30	566.690	434.744	-	-
Goodwill	12	1.232.159	1.452.159	-	-
Intangible Assets	13	5.321.650	4.925.153	2.137.530	2.107.965
Investments in subsidiaries	14	-	-	4.611.834	3.431.834
Other non-current assets		76.350	67.077	5.674	6.928
Deferred tax assets	9	475.405	582.821	305.360	396.211
Total		**12.321.316**	**12.607.318**	**11.382.854**	**10.397.531**
Current assets					
Inventories	15	84.519	93.260	58.539	69.702
Trade receivables	16	3.699.490	3.948.651	1.484.448	2.031.536
Other receivables	17	5.040.199	4.415.926	4.354.717	3.781.770
Prepayments	17	208.630	20.738	202.287	11.860
Short term investments	18	2.077.978	2.170.713	1.658.406	1.794.386
Cash and cash equivalents	19	13.908.436	12.875.663	7.756.446	6.497.527
Total		**25.019.252**	**23.524.951**	**15.514.843**	**14.186.781**
TOTAL ASSETS		**37.340.568**	**36.132.269**	**26.897.697**	**24.584.312**
LIABILITIES					
Equity					
Share capital	20	5.594.674	5.551.731	5.594.674	5.551.731
Share premium	20	2.348.390	2.767.556	2.348.390	2.767.556
Treasury shares	21	(189.934)	(1.367.194)	(188.837)	(1.366.097)
Reserves	22	7.677.994	6.191.124	7.592.371	6.119.741
Retained earnings		6.628.172	6.695.953	1.772.234	1.962.547
Equity attributable to owners		**22.059.296**	**19.839.170**	**17.118.832**	**15.035.478**
Non-controlling interests		(110.407)	(109.378)	**-**	**-**
Total		**21.948.889**	**19.729.792**	**17.118.832**	**15.035.478**
Non-current liabilities					
Long-term borrowings	23	2.000.000	-	2.000.000	-
Provision for employees' indemnities	24	1.162.390	1.197.210	540.703	444.824
Grants	26	158.040	1.317.409	71.012	253.149
Other non-current liabilities	23	634.626	-	638.126	3.500
Lease liabilities	30	484.730	315.307	-	-
Deferred tax liability	9	134.255	116.717	-	-
Other Provisions		45.850	44.825	35.000	35.000
Total		**4.619.891**	**2.991.468**	**3.284.841**	**736.473**
Current liabilities					
Short -term borrowings	23	2.118.700	4.116.338	1.682.127	3.679.760
Trade payables	27	1.536.903	1.945.399	1.089.454	1.814.360
Other payables	28	5.311.536	5.428.591	2.697.241	2.359.153
Lease liabilities	30	73.564	122.483	-	-
Social Security and other tax liabilities		1.185.872	1.353.621	598.605	615.094
Income tax payable		545.213	444.577	426.597	343.994
Total		**10.771.788**	**13.411.009**	**6.494.024**	**8.812.361**
TOTAL EQUITY AND LIABILITIES		**37.340.568**	**36.132.269**	**26.897.697**	**24.584.312**

**For better presentation and comparability, certain figures in the previous year have been reclassified (Note 2).*
The accompanying notes are an integral part of the Financial Statements.

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

		GROUP		COMPANY	
	NOTE	01.01.2020-31.12.2020	01.01.2019-31.12.2019	01.01.2020-31.12.2020	01.01.2019-31.12.2019
Revenue	6	15.040.891	15.763.884	9.253.416	8.577.914
Cost of sales	7	(6.938.099)	(7.261.786)	(4.819.027)	(4.807.377)
Gross Profit		**8.102.792**	**8.502.098**	**4.434.389**	**3.770.537**
Other operating income		705.143	363.132	235.306	278.288
Selling and distribution expenses	7	(2.725.563)	(2.747.382)	(1.556.686)	(1.528.708)
General and administrative expenses	7	(1.673.060)	(1.584.277)	(1.133.779)	(1.134.837)
Research and development expenses	7	(1.887.640)	(1.587.909)	(1.445.678)	(964.377)
Other Expenses	7	(668.606)	(861.267)	(469.894)	(410.334)
Operating Profit		**1.853.066**	**2.084.395**	**63.658**	**10.569**
Financial Income / (expenses)	8	(599.195)	351.214	(415.955)	209.964
Participations Income		-	-	1.000.000	1.000.022
Profit before tax		**1.253.871**	**2.435.609**	**647.703**	**1.220.555**
Income Tax	9	(347.450)	(666.014)	(149.046)	(392.412)
Profit after tax (A)		**906.421**	**1.769.595**	**498.657**	**828.143**
Non-controlling interests		(888)	1.728	-	-
Profit attributable to Equity holders of the parent		**907.309**	**1.767.867**	**498.657**	**828.143**
Other Comprehensive income					
Items that are not be classified to profit or loss in subsequent periods					
Currency translation adjustments		(267.170)	71.826	-	-
Remeasurement gain/(loss) of employee's indemnities provision		(3.970)	(36.970)	2.414	(27.851)
Related Tax		953	9.105	(580)	6.684
Other comprehensive income, net of taxes (B)		**(270.187)**	**43.961**	**1.834**	**(21.167)**
Total comprehensive income (A+B)		**636.234**	**1.813.556**	**500.491**	**806.976**
Equity holders of the parent		637.263	1.812.051		
Non-controlling interests		(1.029)	1.505		
Earnings per share	10	**0,0768**	**0,1525**		
Impaired Earnings per Share	10	**0,0754**	**-**		

The accompanying notes are an integral part of the Financial Statements.

STATEMENT OF CHANGES IN EQUITY - GROUP

GROUP	Share Capital	Share Premium	Treasury Shares	Legal Reserve	Other Reserves	Greek legislation reserves	Retained earnings	Non-controlling interests	Total Equity
Total equity beginning balance 01.01.2019	**5.551.731**	**2.925.510**	**(467.731)**	**655.420**	**1.970.689**	**2.951.095**	**5.066.180**	**(77.611)**	**18.575.283**
Profit/(loss) for the year	-	-	-	-	-	-	1.767.867	1.728	1.769.595
Other comprehensive income, net of taxes	-	-	-	-	-	-	44.184	(223)	43.961
Total comprehensive income net of taxes	**-**	**-**	**-**	**-**	**-**	**-**	**1.812.051**	**1.505**	**1.813.556**
Acquisition of treasury shares (Note 21)	-	-	(1.759.193)	-	-	-	-	-	(1.759.193)
Selling of treasury shares (Note 21)	-	-	859.730	-	-	-	864.297	-	1.724.027
Transfers from Retained Earnings to Reserves	-	-	-	46.553	-	-	(46.553)	-	-
Share capital increase (Note 20)	590.609	(157.954)	-	-	-	(432.655)	-	-	-
Share capital decrease (Note 20)	(590.609)	-	-	-	-	-	-	-	(590.609)
Liquidation of subsidiary	-	-	-	-	-	-	-	(33.272)	(33.272)
Intercompany dividends	-	-	-	-	1.000.022	-	(1.000.022)	-	-
Total equity ending balance 31.12.2019	**5.551.731**	**2.767.556**	**(1.367.194)**	**701.973**	**2.970.711**	**2.518.440**	**6.695.953**	**(109.378)**	**19.729.792**
Profit/(loss) for the year	-	-	-	-	-	-	907.309	(888)	906.421
Other comprehensive income, net of taxes	-	-	-	-	-	-	(270.046)	(141)	(270.187)
Total comprehensive income net of taxes	**-**	**-**	**-**	**-**	**-**	**-**	**637.263**	**(1.029)**	**636.234**
Acquisition of treasury shares (Note 21)	-	-	(1.022.095)	-	-	-	-	-	(1.022.095)
Selling of treasury shares (Note 21)	-	-	2.199.355	-	-	-	645.905	-	2.845.260
Share capital increase (Note 20)	574.492	(419.166)	-	-	-	-	-	-	155.326
Share capital decrease (Note 20)	(531.549)	-	-	-	-	-	-	-	(531.549)
Distribution of Profits	-	-	-	55.647	-	-	(350.949)	-	(295.302)
Reserve from issue of stock options	-	-	-	-	431.223	-	-	-	431.223
Intercompany dividends	-	-	-	-	1.000.000	-	(1.000.000)	-	-
Total equity ending balance 31.12.2020	**5.594.674**	**2.348.390**	**(189.934)**	**757.620**	**4.401.934**	**2.518.440**	**6.628.172**	**(110.407)**	**21.948.889**

The accompanying notes are an integral part of the Financial Statements.

STATEMENT OF CHANGES IN EQUITY - COMPANY

COMPANY	Share Capital	Share premium	Treasury shares	Legal reserve	Other reserves	Greek legislation reserves	Retained Earnings	Total Equity
Total equity beginning balance 01.01.2019	**5.551.731**	**2.925.510**	**(466.634)**	**639.790**	**1.913.918**	**2.952.113**	**1.337.847**	**14.854.275**
Profit /(loss) for the year	-	-	-	-	-	-	828.143	828.143
Other comprehensive income, net of taxes	-	-	-	-	-	-	(21.165)	(21.165)
Total comprehensive income net of taxes	-	-	-	-	-	-	**806.978**	**806.978**
Acquisition of treasury shares (Note 21)	-	-	(1.759.193)	-	-	-	-	(1.759.193)
Selling of treasury shares (Note 21)	-	-	859.730	-	-	-	864.297	1.724.027
Transfers from Retained Earnings to Reserves	-	-	-	46.553	-	-	(46.553)	-
Share capital increase (Note 20)	590.609	(157.954)	-	-	-	(432.655)	-	-
Share capital decrease (Note 20)	(590.609)	-	-	-	-	-	-	(590.609)
Intercompany dividends	-	-	-	-	1.000.022	-	(1.000.022)	-
Total equity ending balance 31.12.2019	**5.551.731**	**2.767.556**	**(1.366.097)**	**686.343**	**2.913.940**	**2.519.458**	**1.962.547**	**15.035.478**
Profit /(loss) for the year	-	-	-	-	-		498.657	498.657
Other comprehensive income, net of taxes	-	-	-	-	-	-	1.834	1.834
Total comprehensive income net of taxes	-	-	-	-	-	-	**500.491**	**500.491**
Acquisition of treasury shares (Note 21)	-	-	(1.022.095)	-	-	-	-	(1.022.095)
Selling of treasury shares (Note 21)	-	-	2.199.355	-	-	-	645.905	2.845.260
Share capital increase (Note 20)	574.492	(419.166)	-	-	-	-	-	155.326
Share capital decrease (Note 20)	(531.549)	-	-	-	-	-	-	(531.549)
Distribution of Profits	-	-	-	41.407	-	-	(336.709)	(295.302)
Reserve from issue of stock options	-	-	-	-	431.223	-	-	431.223
Intercompany dividends	-	-	-	-	1.000.000	-	(1.000.000)	-
Total equity ending balance 31.12.2020	**5.594.674**	**2.348.390**	**(188.837)**	**727.750**	**4.345.163**	**2.519.458**	**1.772.234**	**17.118.832**

STATEMENT OF CASH FLOWS

	GROUP		COMPANY	
	01.01.2020-31.12.2020	01.01.2019-31.12.2019	01.01.2020-31.12.2020	01.01.2019-31.12.2019
Cash flows from operating activities				
Profit before income tax	**1.253.871**	**2.435.609**	**647.703**	**1.220.555**
Adjustments for:				
Depreciation and Amortization	2.364.188	2.261.731	754.661	666.224
Provisions	283.638	340.944	309.619	63.503
Reserve from issue of stock options	431.223	-	431.223	-
Non-cash items (income) / expenses	(1.270.195)	(1.407.192)	(104.633)	(239.675)
Investing activities (gains) / losses	36.623	(403.338)	(919.634)	(1.348.443)
Foreign Exchange (gains) / losses	192.843	(175.074)	153.644	(93.433)
Financial expenses	365.121	139.406	254.415	203.062
Operating profit before working capital changes	**3.657.312**	**3.192.086**	**1.526.998**	**471.793**
(Increase)/Decrease in:				
Inventories	8.741	90.375	11.163	83.181
Receivables	(495.493)	(48.386)	(71.629)	400.597
Liabilities (except bank loans)	363.310	205.686	167.886	676.795
Paid Employees indemnities	(138.224)	(1.867)	(42.683)	(1.867)
Paid Financial expenses	(446.848)	(339.107)	(308.923)	(279.189)
Credit taxes received	-	72.097	-	-
Paid Taxes	(376.185)	(255.759)	(283.172)	(165.584)
Total cash inflows / (outflows) from Operating activities (a)	**2.572.613**	**2.915.125**	**999.640**	**1.185.726**
Investment activities				
Acquisitions of Subsidiaries	(295.999)	(216.001)	(1.400.000)	-
Short term Investments in securities, JV	(183.575)	(788.143)	(183.575)	(788.143)
Purchase of Tangible & Intangible fixed assets	(2.130.898)	(957.970)	(654.346)	(664.358)
Interest received	81.003	214.376	53.790	90.702
Dividends received	31.848	50.710	1.031.848	1.050.710
Proceeds from disposal of subsidiaries	-	(32.844)	-	-
Proceeds from Short term Investments in securities	209.597	4.875.404	209.597	3.692.024
Total cash inflows / (outflows) from Investing activities (b)	**(2.288.024)**	**3.145.532**	**(942.686)**	**3.380.935**
Financing activities				
Share Capital Increase	155.326	-	155.326	-
Acquisition/Selling of treasury shares	2.027.134	(35.165)	2.027.134	(35.165)
Proceeds from borrowings	2.000.000	-	2.000.000	-
Repayments of lease liabilities	(142.582)	(143.048)	-	-
Dividends paid	(295.302)	(590.610)	(295.302)	(590.610)
Repayments of borrowings	(2.000.000)	(500.000)	(2.000.000)	(500.000)
Return of Share Capital	(531.549)	-	(531.549)	-
Total cash inflows / (outflows) from Financing activities (c)	**1.213.027**	**(1.268.823)**	**1.355.609**	**(1.125.775)**
Net increase / (decrease) in Cash & equivalents for the period (a) + (b) + (c)	**1.497.616**	**4.791.834**	**1.412.563**	**3.440.886**
Cash & equivalents at the beginning of the period	**12.875.663**	**7.846.363**	**6.497.527**	**2.963.208**
Exchange gains / (losses)	(464.843)	237.466	(153.644)	93.433
Cash & equivalents at the end of the period	**13.908.436**	**12.875.663**	**7.756.446**	**6.497.527**

The accompanying notes are an integral part of the Financial Statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION FOR 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 106 employees at 31.12.2020, while the Group has 141 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 2020 have been approved by the Board of Directors on 26 April 2021.

2. BASIS OF PREPARATION OF THE ANNUAL FINANCIAL STATEMENTS

2.1 Basis of preparation

These consolidated financial statements for the year ended 31 December 2020 have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board ("IASB"), as endorsed by the European Union ("EU"), and present the financial position, results of operations and cash flows of the Group on a going concern basis and the accrual principle. Management has concluded that the going concern basis of preparation of the accounts is appropriate. The consolidated financial statements have been prepared in accordance with the historical cost basis except for the financial instruments which are measured at fair value through profit and loss.

The preparation of financial statements, in accordance with IFRS, requires the use of certain critical accounting estimates and assumptions. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 2.4 "Significant accounting estimates and judgements". Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events as assessed to be reasonable under normal circumstances.

It is also noted that for better and more analytical presentation, the account "Trade and Other Payables" of the comparable figures, is analyzed in the accounts "Trade Payables", "Other Payables" and "Social Security and other tax liabilities".

2.2 Group structure and basis of consolidation

The attached Group financial statements comprise the financial statements of the Parent Company in addition to the consolidated financial statements of the Group and its subsidiaries on which Profile has the ability to exercise control. All subsidiaries (companies in which the Group has direct or indirect ownership of 50% or more voting interest or has the power to control the Board of the investees) have been consolidated. At each reporting period, the Group reassesses whether it exercises effective control over the investments, in case there are events and circumstances indicating a change in effective control's indications. Subsidiaries are consolidated from the date on which effective control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.
The financial statements of the subsidiaries are prepared for the same reporting period as the parent company using consistent accounting policies.

Gain or Losses of subsidiaries, along with other income, are attributed to the non-controlling interest even if that results in a deficit balance.

All intra-group balances transactions and unrealized gains and losses resulting from intra-group transactions are eliminated in full in the consolidated financial statements. Where necessary, accounting policies for subsidiaries have been revised to ensure consistency with the policies adopted by the Group. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary
- Derecognizes the carrying amount of any non-controlling interest
- Recognizes the fair value of any investment retained
- Recognizes any surplus or deficit in profit or loss
- Reclassifies the parents' share of components previously recognized in other comprehensive income to profit and loss

Investments in subsidiaries in the separate financial statements are accounted for at cost less any accumulated impairment.

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 SOFTWARE (UK) LTD**	United Kingdom	IT Company	100,00%	Indirect	Full
PROFILE DIGITAL SA	Greece	IT Company	100,00%	Direct	Full
PROFILE TECHNOLOGIES S.A.***	Greece	IT Company	100,00%	Direct	Full
LOGIN S.A.*	France	IT Company	100,00%	Indirect	Full

* The indirect participation in LOGIN SA is at 100% through the participation of the subsidiaries Profile CY (99,92%) and Profile UK (0,08%).
** Participation in PROFILE SOFTWARE (UK) LTD is 100% through the participation of subsidiary PROFILE SYSTEMS & SOFTWARE (CYPRUS) LTD. Please note that the affiliate PROFILE SOFTWARE (UK) LTD -9931929 is not audited under Article 479A of the United Kingdom Act, 2006 Act.
***The Company established a new subsidiary company in June 2020, named "PROFILE TECHNOLOGIES COMMERCAIL AND INDUSTRIAL COMPANY SINGLE MEMBER SOCIETE ANONYME", and distinctive title "PROFILE TECHNOLOGIES S.A.", in order to become the center of the development of new technologies in Thessaloniki.

2.3 Foreign Currency

a) Functional currency and presentation currency

The Group's consolidated financial statements are presented in Euro ("EUR"), which is also the parent company's functional currency since 1 January 2002, 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 is 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.

2.4 Significant Accounting Estimates and Judgements:

The preparation of financial statements, in accordance with IFRS, requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, as well as revenue and expenses as of the reporting period. Actual results may differ from those estimates.

The Group makes accounting estimates, assumptions and 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 periodically reviewed to reflect current data and reflect current risks and are based on management's previous experience of the level / volume of related transactions or events. The key estimates and judgments that refer to data the evolution of which could affect the items of the financial statements in the next 12 months are as follows:

Income tax:

According to IAS 12, income tax provisions are based on estimations as to the taxes that shall be paid to the tax authorities and includes the current income tax for each fiscal year, the provision for additional taxes which may arise from future tax audits and the recognition of future tax benefits (Note 8). The final clearance of income taxes may be different from the relevant amounts which are included in these financial statements.

Deferred tax assets:

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of estimated future taxable profits together with future tax planning strategies.

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 information that arise from the processing of historical data and recent developments in the affairs it manages. The doubtful receivables are assessed by the management on a case by case.

With respect to non-doubtful trade receivables, the Group applies the simplified approach of IFRS 9 and calculates the expected credit losses over the life of the receivables. To this end, it uses a table to measure the projections in a way that reflects past experience and forecasts of the future financial situation of customers and the economic environment. At each balance sheet date, the historical percentages used, and the estimates of the future financial situation are updated. The correlation between the historical data, the future financial situation and the expected credit losses includes significant estimates. The amount of expected credit losses depends to a large extent on changes in the conditions and forecasts of the future financial situation.

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.

(e) Impairment testing on goodwill and intangibles assets:

The Company and the Group examine and reassess the fair value and useful life of intangible assets when there are indications of a change in value. The Group and the Company assess whether there is impairment of goodwill and intangible assets at least once a year and examine the events or conditions that render the possibility of impairment, such as a significant adverse change in the business environment or a decision to sell or dispose a unit or segment (Note 11). For the purpose of impairment testing, the value in use of each cash generating unit (CGU) to which an amount of goodwill and intangible assets has been allocated, must be assessed. If there is evidence of impairment, the recoverable amount (which is the greater of the fair value less costs to sell and the value in use) of the respective cash-generating unit in which the goodwill has been allocated is calculated. Value in use is estimated using the method of discounted cash flow. In applying this methodology, account is taken of historical operating results, future corporate plans, economic extensions as well as market data (statistical and not) that are estimated by the management. If the recoverable amount is lower than the carrying amount, then the carrying amount needs to be reduced to the recoverable amount and such difference is recognized to the statement of Profit and Loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The main accounting policies applied in the preparation of the consolidated financial statements and the separate financial statements of the parent are set out below.

3.1. Tangible assets

Property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Repairs and maintenance costs are expensed as incurred. Significant improvements are capitalized to the cost of the related asset if such improvements increase the life of the asset, increase its production capacity or improve its efficiency. The cost and related accumulated depreciation of assets retired or sold are removed from the accounts at the time of sale or retirement and any gain or loss is included in the statement of Profit and Loss. Profit and losses arising from the write-off of assets are included in the statement of Profit and Loss this asset is written-off.

The land is not depreciated. Depreciation is calculated using the straight-line method over its estimated useful lives, as follows:

Tangible assets	Years
Buildings	36
Cars	5-10
Equipment	4-5

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.

3.2. 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 **s**oftware 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).

The expenditures for software development which are controlled by the Group, are recognized as intangible assets when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete the intangible asset in order to use it or sell it
- Its ability to use it or sell it
- How the asset will generate future economic benefits
- The availability of resources to complete the asset and
- The ability to measure reliably the expenditure during development.

The other intangible assets are initially recognized during the date of acquisition, and they are carried at cost less any accumulated amortization throughout their useful life (6-8 years).

3.3. Impairment of Non-Current Assets

Apart from goodwill, which is tested for impairment on an annual basis, the carrying values of other non-current assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Whenever the carrying value of an asset exceeds its recoverable amount an impairment loss is recognized in the statement of Profit and Loss.

The recoverable amount is measured as the higher of fair value less cost to sell and value in use. Fair value less cost is the amount for which the asset could be exchanged in an arm's length transaction between knowledgeable, willing parties, after deducting any direct incremental selling costs, while value in use is the present value of estimated future cash flows expected to arise from continuing use of the asset and from its disposal at the end of its useful life.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Impairment losses which were accounted for in prior years are reversed only when there is sufficient evidence that the assumptions used in determining the recoverable amount have changed. In these circumstances, the related reversal is recognized as income. The carrying amount of a non-current asset after the reversal of the impairment loss, cannot exceed the carrying amount of the asset, if the impairment loss had not been recognized. Probable impairment of goodwill is not reversed.

3.2. Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted average cost method. It does not include borrowing costs. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale, where applicable.

3.3. Financial assets-Initial recognition and measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial Recognition and Measurement

The Group and the Company classifies the financial assets in the below categories:

- Financial assets measured at fair value through profit or loss (please see note 17. Short-term Investments and note 27. Fair Value Measurement);
- Financial assets designated at fair value through OCI; and
- Financial assets measured at amortized cost.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group and the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at a fair value through profit or loss, transaction costs. The transaction costs of financial assets measured at fair value through profit or loss. Trade receivables are initially measured at the transaction price.

Under IFRS 9, debt financial instruments are subsequently measured at amortized cost, fair value through other comprehensive income (OCI) or fair value through profit or loss. The classification is based on two criteria: a) the business model for managing the assets and b) whether the instruments' contractual cash flows represent "solely payments of principal and interest" on the principal amount outstanding (the 'SPPI criterion').

The classification and measurement of the Group's and the Company's debt financial assets are, as follows:

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives including separated embedded derivatives area also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

(b)Financial assets at amortized cost

The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business, model with the objective to hold financial assets in order to collect contractual cash flows,

- The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired. The Group's financial assets at amortized cost includes trade receivables.

(c) Financial assets at fair value through OCI

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 "Financial Instruments: Presentation" and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

3.6. Derecognition and impairment

Derecognition

A financial asset is primarily derecognized when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Impairment

The Group and the Company recognize impairment losses for expected credit losses for all financial assets other than those measured at fair value through profit or losses.

For trade receivables, the Group and the Company applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date.

For other financial assets, the ECL is based on the 12-month ECL. The 12-month ECL is the portion of lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

3.7. Loans and borrowings

Loans are initially recognized at their fair value, less any direct expense arising from the transaction. Subsequently, they are measured at amortized cost based on the effective interest rate method.

Any gain or loss arising on de-recognition or on amortized cost is recognized directly in the income statement.

3.8. Trade receivables

Trade receivables, which generally have 30 to 120-day terms, are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

Trade receivables include bills of exchange and promissory notes from customers.

For trade receivables which are not in default, the Group applies the simplified approach, in accordance with IFRS 9 and calculates ECLs based on lifetime expected credit losses. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. On the other hand, trade receivables in default are assessed on a case-by-case basis. The amount of the provision is recognized in the statement of Profit and Loss and is included in "Selling and distribution expenses".

3.9. Cash and cash equivalents

The Group considers time deposits and other highly liquid investments with original maturity of three months or less, to be cash equivalents. For the purpose of the cash flow statement, cash and cash equivalents consist of cash at hand and in banks and of cash and cash equivalents as defined above.

3.10. Leases

Company as lessee

The company recognizes a right-of-use asset and a lease liability at the beginning of the lease. The right-of-use is initially measured at cost, which includes the amount of the initial recognition of the lease liability, any lease payments that were performed at the beginning or before the start of the lease minus any optional lease motives received, any initial direct costs and the assessment of the obligation for eventual costs for the recovery of the right-of-use asset.

After the initial recognition, the right-of-use is measured at the acquisition value minus the accumulated depreciation and any impairment losses, adjusted to the potential revaluation of the lease liability.

The right-of-use is depreciated on a straight-line basis until the end of the lease period, unless the lease contract provides for a transfer of ownership to the company at the end of the lease period of the asset in question. In such case, the right-of-use is depreciated during the useful life of the asset. In addition, the right-of-use is assessed for impairment losses, if any, and is adjusted accordingly in the case of revaluation of the lease liability.

The lease liability at the initial recognition consists of the present value of the remaining future payments. The company in order to discount the remaining future payments uses the interest rate implicit in the lease and if that rate cannot be readily determined, the incremental borrowing rate is used.

The lease payments that are included in the measurement of the lease liability include the following:

- fixed payments,
- variable payments depending on an index or an interest rate,
- amounts that are expected to be paid based on the guarantees of residual values,
- the exercise price that the company expects to apply and penalties for contract termination, if at the definition of the lease duration, the exercise of the termination right from the company has been considered.

After the commencement of the lease, the liability is reduced by the lease payments, increased by the financial expense and reassessed for any revaluations or modifications of the lease.
A reassessment is performed when there is a modification in the future lease payments that can be derived from the modification of an index or if there is a modification in the company's assessment for the amount expected to be paid for the guarantee of a residual value, modification in the lease duration and modification in the assessment of the exercise of the call option of the asset in question, if any. When the lease liability is readjusted, a respective readjustment is performed on the accounting value of the right-of-use, or it's included in the results when the accounting value is reduced to null.
In accordance with the policy that the company opted to use, the right-of-use is recognized in a separate line in the financial statements under the title "Right-of-use assets" and the lease liability separate from the other liabilities under the account "Long-term lease liabilities" and "Short-term lease liabilities". In the cases where the company is a sub-lessor in an operating lease, the right-of-use that relates to the main contract is included in the category "Property investments".
The company opted to use the exception provided under IFRS 16 and not to recognize right-of-use and lease liability for leases that their duration does not exceed 12 months or for leases in which the asset is of low value (value less than € 5.000 when new).

Company as lessor
i. Finance leases: In the case of finance lease in which the company acts as lessor, the total amount of the lease under the respective contract, is recorded under the category of loans and trade receivables. The difference between the present value (net investment) of the lease and the total amount of the lease, is recognized as a deferred interest and is recorded as a reduction of the receivable. The lease receipts reduce the total lease receivable, while the financial income is recognized under the effective basis. The lease receivables are assessed for impairment, as per IFRS 9.
ii. Operating leases: In the case of operating lease, the company records the leased asset as part of the company's assets, depreciating it based on its useful life. The lease amounts that relate to the use of the leased asset, are recognized as other income, under the effective basis.

When the company is a middle lessor, it assesses the sublease category through the right-of-use of the main lease, meaning that the company compares the terms of the main lease with the terms of the sublease. On the contrary, if the main lease is a short-term lease on which the company applies the exception described above, then it records the sublease as an operating lease. In such case, the company recognizes the lease amounts related to the sublease of the asset, as other income, under the effective basis.

3.11. Income Taxes (Current and Deferred)
Current and deferred income taxes are computed based on the separate financial statements of each of the entities included in the consolidated financial statements, in accordance with the tax rules in force in Greece or other tax jurisdictions in which entities operate.
Income tax expense consists of income taxes for the current year based on each entity's profits as adjusted in its tax returns, additional income taxes resulting from the audits of the tax authorities and deferred income taxes, using substantively enacted tax rates.

Deferred income taxes are provided using the liability method for all temporary differences arising between the tax base of assets and liabilities and their carrying values for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences:

- Except where the deferred income tax liability arises from goodwill amortization or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax losses can be utilized.

- Except where the deferred income tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future and there will be available taxable profit which will be used against temporary differences

Deferred tax assets are reviewed at each financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the financial position date.

3.12. Staff Retirement Indemnities

Staff retirement obligations are calculated at the present value of the future retirement benefits deemed to have accrued, based on the employees earning retirement benefit rights steadily throughout the working period. The reserve for retirement obligations is calculated based on financial and actuarial assumptions and are determined using the projected unit credit actuarial valuation method (Project United Credit Method). Actuarial gains and losses are now recognized in other comprehensive income (OCI) and permanently excluded from profit and loss; expected returns on plan assets are no longer recognized in profit or loss, instead, there is a requirement to recognize interest on the net defined benefit liability (asset) in profit or loss, calculated using the discount rate used to measure the defined benefit obligation, and; unvested past service costs are now recognized in profit or loss at the earlier of when the amendment occurs or when the related restructuring or termination costs are recognized.

3.13. Provisions and Contingencies

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle this obligation and a reliable estimate of the amount of the obligation can be made.
Provisions are reviewed at each statement of financial position date and adjusted to reflect the present value of the expenditure expected to be required to settle the obligation. When the effect of time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate the risks specific to the liability.

Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but are disclosed when an inflow of economic benefits is probable.

3.14. Government grants

Grants, which are related to the subsidization of tangible fixed assets, are recognized when there is reasonable assurance that the grant will be received, and all attaching conditions will be complied with. Grants relating to assets are recognized as deferred income and amortized in accordance with the useful life of the related asset. When the grant relates to an expense item, it is recognized as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

3.15. Revenue Recognition

Revenue is defined as the amount that an economic entity expects to receive in return for the goods or services that has transferred to a customer, except the amounts that are received on behalf of third parties (VAT, other sales taxes, etc.). An economic entity recognizes revenues when (or as) it satisfies the obligation of a contract execution, by transferring the promised goods or services to the customer. The customer takes over the control of the good or the service, if he/she has the ability to direct the use and assume all the benefits from this good or service. The control is transferred during a period or at a single point in time. The revenue from the sale of goods is recognized when the control of the good is transferred to the customer, usually at its delivery, and there is no unfulfilled obligation that could influence the acceptance of the good from the customer. The revenue from the provision of services is recognized in the accounting period in which the services are provided and is allocated according to the nature of the provided services, using either output methods, or input methods. The trade receivable is recognized when there is an unconditional right for the economic entity to receive the return for the provided contracted services towards the customer. The contracted asset is recognized when the group (or the company) has satisfied its obligations towards the customer, before the customer pays or before the payment is due, for example when the goods or services are transferred to the customer before the company's (or the group's) right for the issuance of an invoice. The contractual liability is recognized when the group (or the company) receives an amount from the customer (prepayment) or when it maintains a right on an amount which is deferred income, before the execution of the contractual obligations and the transfer of the goods or services. The contractual liability is derecognized when the contractual obligations are executed, and the revenue is recorded in the financial statements.

The revenue from operating leases is recognized in the results through the fixed method during the lease period.

The revenue from interest is recognized with the use of the real interest rate. When there is an impairment of the loans or receivables, their accounting value is reduced to their recoverable value which is the present value of the expected future cash flows discounted with the initial real interest rate. Consequently, revenue from interest is accounted with the same interest rate (initial real rate) on the impaired (new book) value.

The revenue from dividend is recognized in the financial statements when their receipt right has been established.

3.16. Borrowing Costs

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

3.17. 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' Ordinary General Meeting.

3.18. Fair value measurement

The Group measures financial instruments at fair value through profit or loss at fair value at each balance sheet data (please see note 17 “Short term investments” and note 27 “Fair Value Measurement”). 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.

3.19. 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, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ADOPTED BY THE GROUP

The accounting policies adopted are consistent with those of the previous financial year except for the following amended IFRSs which have been adopted by the Group as of 1 January 2020. New standards, amendments to standards and interpretations have been adopted and are mandatory for annual accounting periods starting on or after 1 January 2020.

Where otherwise stated, the amendments and interpretations that are in force for the first time in the financial year 2020 have no effect on the (consolidated) financial statements of the Group (the Company). The Group (the Company) did not adopt premature standards, interpretations or amendments that have been issued by the S.D.L.P. and adopted by the European Union but do not have mandatory application in the 2020 financial year.

- **IAS 1 and IAS 8 (Amendments): Definition of 'material'**

On 31 October 2018, the IASB under the Disclosures Initiative adopted amendments to IAS 1 and IAS 8, which clarify the definition of the material and how it should be implemented, including in the guidance definition so far mentioned in other IFRSs. The new definition provides that information is relevant if the fact that it is omitted, concealed or mis-communicated would reasonably adversely affect the decisions taken by the main users of the financial statements based on those statements. The amendments include examples of circumstances that may lead to the concealment of important information. The definition of material, which is an important accounting concept in IFRS, helps companies decide whether information should be included in their financial statements. The updated definition amends IAS 1 "Presentation of Financial Statements" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". The amendment ensures that the definition of material is consistent with all IFRS standards. The amendment shall apply from or after 1 January 2020.

- **IFRS 9, IAS 39 AND IFRS 7 (Amendments): 'Reform of reference rates' Phase 1**

The Council adopted on 26 September 2019 amendments to IFRS 9, IAS 39 and IFRS 7 standards in order to address the impact on financial reporting from the reform of the reference rates in the period prior to the replacement of an existing reference rate with an alternative reference rate. The amendments provide temporary and limited exceptions to the requirements of the Accounting Compensation of the International Accounting Standard (IAS) 39 Financial Instruments: Recognition and Measurement and the International Financial Reporting Standard (IFRS) 9 Financial instruments, so that companies can continue to meet the requirements assuming that the existing reference rates criteria do not change due to the reform of the interbank lending rate.

The exceptions are related to the application of the following provisions:

- The requirement of a very high probability of fulfilment in respect of cash flow compensation,

- The assessment of the economic relationship between the hedged item and the hedging instrument,

- Identify a component of an item as a hedged item.

The amendment shall apply to the annual accounting periods beginning on or after 1 January 2020.

- **IFRS 3 (Amendments): 'Business Amendments'**

The amendment concerns the improvement of the definition of the company in order to help companies determine whether a takeover that they are carrying out concerns a company or a group of assets. The amended definition of business focuses on the product produced by an undertaking, which is the provision of goods and services to customers, while the previous definition was focused on returns in the form of dividends, lower costs or other economic benefits directly to investors or members or other participants. In addition, the amendment adds guidance to assess whether an acquired procedure is essential and introduces an optional fair value concentration exercise with examples.

Companies are required to apply the amended definition of the undertaking company to acquisitions to be made on or after 1 January 2020.

- **IFRS 16 (Amendments): 'Leases'**

The International Accounting Standards Board in response to the impact of the COVID-19 pandemic issued on 28 May 2020 an amendment to IFRS 16 "Leases" to allow lessees not to account for rent reductions as a lease modification if they are a direct consequence of COVID-19 and meet certain conditions. The amendment does not affect the lessors.

The amendment shall apply to the annual accounting periods beginning on or after 1 June 2020. Early implementation is permitted, including interim or annual financial statements that were not approved for publication on 28 May 2020.

Standards and Interpretations mandatory for later periods that have not been applied earlier by the Company (or the Group) and have not been adopted by the EU:

- **IFRS 4: 'Insurance Policies' (Amendments) postponement of IFRS 9 (issued on 25 June 2020)**

This amendment deferred the date of application by two years, to annual reference periods beginning on or after 1 January 2023 with a view to allowing time for the smooth adoption of the amended IFRS 17 by jurisdictions around the world. This will allow more insurance entities to apply the new Standard at the same time. In addition, IFRS 4 has been amended so that insurance entities can apply IFRS 9 Financial Instruments in parallel with IFRS 17.

- **IFRS 9, IAS 39 AND IFRS 7 (Amendments): 'Reform of reference rates' Phase 2**

The International Accounting Standards Board (IASB) has published the "Reform of reference interest rates" - Phase 2 with amendments addressing issues that may affect financial reporting following the reform of an interest rate benchmark, including its replacement with alternative reference rates. The amendments shall apply for annual periods beginning on or after 1 January 2021, with prior application allowed.

- **IFRS 17: 'Insurance Policies'**

On 18 May 2017, the IASB adopted IFRS 17, which replaces the existing IFRS 4 standard.
IFRS 17 establishes the principles for the registration, valuation, presentation and disclosure of insurance policies with a view to providing a more uniform approach to valuation and presentation for all insurance policies.

IFRS 17 requires that the valuation of insurance liabilities be not carried out at historical cost but at current value in a consistent manner and using:

-non-discriminatory weighted estimates of future cash flows based on updated assumptions.
-discount rates reflecting the cash flow characteristics of the contracts and
-estimates of the financial and non-financial risks arising from the issue of insurance policies.

The new standard shall apply to annual accounting periods beginning on or after 1 January 2023.

- **IAS 1 (Amendment): 'Classification of liabilities in short or long term'**

The amendment affects only the presentation of liabilities in the statement of financial position. The amendment specifies that the classification of obligations should be based on existing rights at the end date of the reference period. The amendment also clarified that management's expectations for events expected to occur after the balance sheet date should not be taken into account, and also, that the circumstances constituting a settlement of the obligation.

The amendment shall apply to the annual accounting periods beginning on or after 1 January 2022.

- **IAS 16 (Amendment): 'Tangible Assets' – Collections before the intended year**

The amendment changes the way that are recorded, both the cost of the asset's good operation tests and the net sales product from sales of items produced during the process of putting the asset in that location and condition. The revenue and production costs of these products will now be recorded in the result of the financial year instead of showing a reduced cost of acquisition of the fixed assets.

The amendment shall apply to the annual accounting periods beginning on or after 1 January 2022.

- **IFRS 3 (Amendment): "Reference to the Conceptual Framework"**

On 14 May 2020, the IASB issued the "Reference to the Conceptual Framework (Amendments to IFRS 3)" with amendments to IFRS 3 "Business Associations" that update a reference to IFRS 3 without changing the accounting requirements of the standard.

The amendment shall apply to the annual accounting periods beginning on or after 1 January 2022.

- **IAS 37 (Amendments): 'Provisions, contingent liabilities and contingent assets' - Onerous contracts - Cost of fulfilling a contract**

The amendment specifies what costs an entity should include in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. The amendment specifies that 'the cost of fulfilling a contract' includes the directly related costs of fulfilling that contract and the allocation of other costs directly related to its execution. The amendment also specifies that, before a separate provision for an onerous contract is recognized, an entity recognizes any impairment loss on the assets used to fulfil the contract, and not on assets dedicated only to that contract.

The amendment shall apply to the annual accounting periods beginning on or after 1 January 2022.

- **IAS 1 (Amendment) Presentation of financial statements - Accounting policy disclosures**

On 12.2.2021 the Council of International Accounting Standards adopted an amendment to IAS 1 specifying that:
- The definition of accounting policies is given in paragraph 5 of IAS 8.
- An entity should disclose important accounting policies. Accounting policies are important where, together with the other information contained in the financial statements, they may influence the decisions taken by the main users of the financial statements.
- Accounting policies for non-significant transactions are considered non-important and should not be disclosed. Accounting policies, however, may be important depending on the nature of some transactions even if the amounts involved are not significant. Accounting policies related to significant transactions and events are not always important in their entirety.
- Accounting policies are important when users of financial statements need them in order to understand other important information on financial statements.
-Information on how an entity has implemented an accounting policy is more useful to users of financial statements than to standardized information or a summary of IFRS provisions.
- Where an entity chooses to include non-significant information on accounting policies, such information should not interfere with important information on accounting policies.

The amendment shall apply to the annual accounting periods beginning on or after 1 January 2023.

- **IAS 8 (Amendment): "Accounting Policies, Changes in Accounting Estimates and Errors" - Definition of Accounting Estimates**

On 12.2.2021 the Council of International Accounting Standards adopted an amendment to IAS 8 which:
- Defined accounting estimates as monetary amounts in financial statements subject to uncertainty as to their measurement.
- It specified that an accounting policy may require the items in the financial statements to be valued in such a way as to create uncertainty. In this case, the entity shall develop an accounting estimate. The development of accounting estimates includes the use of crises and assumptions.
- When developing accounting estimates, an entity uses valuation techniques and data.
- An entity may be required to change its accounting estimates. This fact by its very nature is not related to previous uses nor is it an error correction. Changes in valuation data or techniques are changes in accounting estimates unless they relate to an error correction.

The amendment shall apply to the annual accounting periods beginning on or after 1 January 2023.

Annual improvements International financial reporting standards 2018-2020

On 14 May 2020, the International Accounting Standards Board issued the annual improvements containing the following amendments to the following International Financial Reporting Standards, which apply to the annual accounting periods beginning on or after 1 January 2022:

- **IFRS 1: First implementation of international financial reporting standards - First application of IFRS to a subsidiary**

The amendment allows the subsidiary to apply paragraphs D16(a) of IFRS 1 in order to measure cumulative exchange rate differences using the amounts reported by its parent, which are based on the date of the parent's transition to IFRS.

- **IFRS 9 Financial Instruments Remuneration and 10% test for the write-off of financial liabilities**

The amendment specifies what fees an entity should include when applying the 10% test in paragraph B.3.3.6 of IFRS 9 to determine whether it should write off a financial liability. The entity includes fees paid or collected between the entity (borrowed) and the lender, including fees paid or collected by either the entity or the lender on behalf of another party.

- **IFRS 16: Leases – rental incentives**

The amendment to Example 13 accompanying IFRS 16 deletes from the example the presentation of compensation for improvements to the leased property by the lessor in order to prevent any confusion about the accounting treatment of rental incentives that may result from the way rental incentives are presented in the example.

- **IAS 41: Agriculture, Taxation on fair value measurements**

The amendment withdraws the requirement in paragraph 22 of IAS 41 that entities do not include cash flows from taxation when measuring biological assets using the technique of present value. This amendment ensures consistency with the requirements of IFRS 1

5.MAJOR RISKS AND UNCERTAINTIES

The Company and the Group operate, as is known, in a highly competitive and particularly demanding international environment, which is changing swiftly and rapidly. During the last years, the Company and the Group, systematically and with a specific development plan, try to strengthen its extroversion with steady and safe steps, not single meaningly, but in the geographical areas that are of strategic interest, with emphasis on cutting-edge technologies and continuous technological upgrade of the products and solutions it provides, while at the same time developing new activities and promoting its entry into new markets, in order to further strengthen its competitiveness. At the same time, it monitors the developments in the domestic market, which during the closing financial year turned out severe fluctuations due to the unprecedented health crisis, which resulted to weakened recovery signs.

Its specialized know-how, its many years of experience and presence in the field, its organization and the intense activity of all its executives, its wide renown in combination with the study, development and marketing of new products, but also the continuous improvement and upgrading of the existing ones, with emphasis on the quality and the ability of immediate satisfaction of demand but also of the changing needs of the final customers, as well as the creation of strong infrastructures and the infiltration of new markets, help the Company and the Group remain competitive, notwithstanding the inherent problems facing the sector, which problems have intensified especially during the financial crisis.

The Group's positive financial situation and its significant quality and product differentiation, combined with the continuous development and upgrading of its products, as well as the Group's expansion into new geographical markets, are the main supplies it has to minimize the negative consequences from the economic crisis of recent years. However, it is expected that during the current financial year, the Group’s revenues and results will inevitably be affected, owing to the intensity, the duration of the phenomenon and the lack of liquidity in the market and the emerging global recession for 2021, as a result of the pandemic, which leads a great part of the broad customer base addressed by the Group to a suspension of investment plans and the postponement of modernization programs.

The usual financial and other risks to which the Group is exposed and which it is likely to face during the financial year 2020, are the following:

a. Risk of reduction in demand due to the general recession

Although this specific risk is of a limited extent owing to the special software categories developed and marketed by the Group, nevertheless, to avoid the reduction of demand due to the greater financial situation prevailing in the Greek market, the Group develops a large and wide range of products in different categories, addressing the international market in order to counterbalance possible losses in specific market branches. The development and evolution of software products is based on the uninterrupted everyday monitoring and research of the market and new technologies, so that on entering new markets it may balance possible losses.

However, in view of the latest negative conditions due to the unprecedented health crisis in the global economy and market and which are inevitably expected to affect the Company's activity, too, (as, based on the forecasts of international houses, the whole world economy will experience recession conditions during 2020), the said risk is considered real and quite significant. For this reason, special emphasis is placed on strengthening the extroversion of the Company and expanding the international presence of the Group, as the geographical dispersion of the group's activities acts as hedging to the recessionary environment.

Furthermore, the end of the transitional period at 31.12.2020 regarding the United Kingdom's exit from the European Union and finding a proper solution in order to avoid the exit with unfavorable terms, have led to the imposition of custom controls and other formalities during shipping goods, to additional uncertainty and insecurity in the global economy, with yet unknown consequences for the markets and the customs union.

2. Risk of increased competition by imported businesses

This risk is always real and appreciable in the area where the Group operates, especially if we consider the fact that barriers to entry are not so strong in this area, as most of the technical terms used to implement and complete information systems and software product configuration are widespread, which allows foreign companies to penetrate the market with relative ease, taking advantage of comparative advantages, especially in terms of sizes.

The Company confronts this risk with emphasis on the design and development of quality and modular products, on the systematic and targeted improvement, upgrade and adaptability of the products already marketed by it, on the representation of strong and world-renowned houses, on establishing long-term, trusting relationships with its customer base and on the expansion of its activities abroad. This risk is timeless, and, in that sense, it is dealt with by the Management of the Company and the Group, always placing special emphasis in the field of quality and product differentiation and in general, in providing to customers high level services, while at the same time, by systematic reinforcement of extroversion, it upgrades its role and presence in the international market, a fact which renders it more resilient in confronting this risk. In addition, the constant increase in the global market size partially abates the effects of competition, so that the activity that takes place outside Greece, which constitutes a strategic orientation for the Company in recent years, compensates for the unavoidable losses in the Greek market.

3. Risk of technological developments

The technological developments affect to a high degree the competitiveness of companies operating in the field of information technology. Companies that operate in the IT industry must be constantly aware of possible differentiations and developments in existing technology and make the necessary investments to ensure a high level of technology.

Based on the above, and for the greatest possible reduction of the risk of technological developments, the Group:

- Develops products in particularly efficient and internationally recognized platforms,

- Moves to continuous training and education of the staff in technological matters, in cooperation with internationally recognized bodies in the field of high technology,
- Offers innovative applications, corresponding to the complex needs and demands of the market.

For the above reasons, this specific risk is assessed as real but, in any case, as manageable at this particular period of time.

4. Credit risk

The Management of the Company and the Group, based on its internal principles of operation, ensures that the sales of goods and services take place towards customers of high credit reliability and lending capacity. Owing to the expansion of the activities of the Company and the Group abroad, the said risk is real in relation to customers originating from other countries (especially from countries of Africa, Asia and N. America) for whom the efficient check of their creditworthiness and reliability, is not always easy. For this reason, the Company and the Group constantly develop and evolve internal mechanisms of operation (regarding the process of negotiations, contracts and project management), with the view to more completely addressing the specific danger. Within the said context and the assessment methods available to the Group, it has not faced so far, any possible exposures of significant size, for which no adequate provision has been formed. Therefore, the said risk, although real in view of the greater negative economic climate, it is assessed today as controllable. However, if there is a deterioration of the conditions for the development of economic activity in the coming months, especially in the Greek market, this risk may affect the results of the Company. Note 16 of the financial statements provide an analysis of customer receivables.

	GROUP		COMPANY	
	31.12.2020	**31.12.2019**	**31.12.2020**	**31.12.2019**
Trade and other commercial receivables	3.699.490	3.948.651	1.484.448	2.031.536
Other receivables	5.040.199	4.415.926	4.354.717	3.781.770
Other financial assets	76.350	67.077	5.674	6.928
Short term investments	2.077.978	2.170.713	1.658.406	1.794.386
Cash & cash equivalents	13.908.436	12.875.663	7.756.446	6.497.527
Total	**24.802.453**	**23.478.030**	**15.259.691**	**14.112.147**

Trade receivables analysis

	GROUP		COMPANY	
	31.12.2020	**31.12.2019**	**31.12.2020**	**31.12.2019**
Not due	2.819.719	2.900.066	1.200.547	1.704.425
Past due balances	5.320.420	5.475.383	4.370.774	4.414.667
Balance	**8.140.139**	**8.375.449**	**5.571.321**	**6.119.092**
Less: Allowance for doubtful receivables	(4.440.649)	(4.426.798)	(4.086.873)	(4.087.556)
Fair Value of receivables	**3.699.490**	**3.948.651**	**1.484.448**	**2.031.536**

Under the account "Other debtors" an amount of € 2.556 thousand is included, which relates to two claims under litigation, from the wider public sector with amounts of € 2.067 thousand and € 489 thousand, that have not yet been finalized in court so that they can be enforced but have been tried on the first degree with a positive outcome for the company. The final verdicts are expected during the current fiscal year (2021). The company considers that the interest-bearing claims, are reasonable, well-founded and documented, as on the one hand there are the evidence of delivery of equipment and services (a fact which was demonstrated during the court proceedings) and on the other hand the debtors continue to function normally on their markets, there is therefore no objective evidence of impairment on those receivables.

The account receivable from clients is non-interest-bearing and usually settled in 30 - 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.

5. Liquidity Risk

The Management attaches particular importance to the management of this risk, to its monitoring by conducting monthly and quarterly forecasts, to the continuous monitoring of cash flows and to the continuous evaluation and reassessment of the strategy related to its effective management. Through frequent monitoring and reassessments and based on the existing data, this risk is controllable and manageable. Notes 23, 26 and 27 of the financial statements set out a table of the loans and other liabilities of the Group. It should be noted that the undiscounted contractual cashflows are in line with the current value of loans and other commitments. The table below summarizes the Group's loans and other financial liabilities:

GROUP 31.12.2020					
	Contractual Cash Flows	1-3 months	3-12 months	1-5 years	Accounting Liabilities
Loans	4.199.242	-	2.118.700	2.000.000	4.118.700
Other commitments	7.531.643	3.916.029	3.130.884	484.730	7.531.643
Subtotal: Cash liabilities	**11.730.885**	**3.916.029**	**5.249.584**	**2.484.730**	**11.650.343**
plus:					
Grants Received	1.177.198	-	1.019.158	158.040	1.177.198
Deferred income	1.401.748	700.444	695.195	6.109	1.401.748
Provision for staff retirement indemnities and for unaudited fiscal years taxes	1.162.390	-	-	1.162.390	1.162.390
Subtotal: Non-Cash liabilities	**3.741.336**	**700.444**	**1.714.353**	**1.326.539**	**3.741.336**
Total liabilities	**15.472.221**	**4.616.473**	**6.963.937**	**3.811.269**	**15.391.679**

GROUP 31.12.2019					
	Contractual Cash Flows	1-3 months	3-12 months	1-5 years	Accounting Liabilities
Loans	4.116.338	10.896	4.105.442	-	4.116.338
Other commitments	7.012.569	3.156.956	3.243.606	612.007	7.012.569
Subtotal: Cash liabilities	**11.128.907**	**3.167.852**	**7.349.048**	**612.007**	**11.128.907**
plus:					
Grants Received	2.447.395	-	1.129.985	1.317.410	2.447.395
Deferred income	1.628.965	820.979	792.185	15.801	1.628.965
Provision for staff retirement indemnities and for unaudited fiscal years taxes	1.197.210	-	-	1.197.210	1.197.210
Subtotal: Non-Cash liabilities	**5.273.570**	**820.979**	**1.922.170**	**2.530.421**	**5.273.570**
Total liabilities	**16.402.477**	**3.988.831**	**9.271.218**	**3.142.428**	**16.402.477**

Loans are simple bilateral loans (not convertible, etc.) of floating interest rates with total cost of debt 3,1%, which is considered and indeed is market rate. Long-term loans are of 4-year duration and have grace period equal to 12 months.

6. Exchange risk

The Group operates internationally and is therefore at risk of exchange rates arising mainly from the US Dollar and the British Pound. This type of risk mainly results from commercial transactions in foreign currency as well as from net investment in economic entities abroad. The Management of the Company constantly monitors the foreign exchange risks that may arise and evaluates any need to take relevant measures; however, at the present time this risk is not assessed as significant and is in any case completely manageable and controllable.

7. Interest rate risk

The risk of interest rates for the Company is not particularly significant, since on the one hand the Company's borrowing is linked to Euribor and on the other hand the Company has a limited and, in any case, controlled exposure to bank lending. The Group's policy is to maintain the total amount of borrowing at variable interest rates and to intervene correctively, whenever necessary, and at the same time to avoid, to the extent permitted by business activity in general, exposure to further lending. The limited exposure of the Group to loan funds makes the change in interest rates unimportant for the Group's results. It is noted that the Group's cash reserves and cash equivalents exceed all bank loans.

8. Risk from the effects of the spread of COVID-19

The coronavirus disease 2019 (COVID-19), a disease first appeared in Wuhan city of China in December 2019 and the affected cases were rapidly spread worldwide, compelling the World Health Organization (WHO) to declare the spread as a pandemic, has brought unfavorable effects both in global and domestic economic development. Entire sectors faced unprecedented difficulties, as the production was negatively affected and the total demand in the economy declined due to the strict restrictions imposed by the government. A year forward, the daily cases remain in particularly high level, while at the time the Annual Financial Report of the closing year is drafted the third wave of the pandemic is in full swing.

The launch of vaccination programs in several countries around the world has boosted hopes of a return to economic and social normality and a return to economic recovery in 2021.

The efforts of the competent state authorities worldwide focus on mass vaccination of the population, the effective management of the symptoms of the sick, the reduction of the further spread and transmission of the disease, through the adoption of strict preventive measures (movement restrictions, quarantine, mandatory use of masks, etc.) and the mitigation of the effects on the world economy, through budgetary interventions and economic measures.

In view of the above and given the Group's significant presence on the world market, this risk is assessed as significant and real, as it may lead to delays in the implementation of existing or new projects due to the general uncertainty, insecurity and lack of liquidity prevailing in both the domestic and international economic environment.

However, at this time, no safe conclusions can be drawn regarding the risks, impact and potential impact of this event on the commercial activity and financial results of the Company and the Group in general, due to its activity in areas of Europe and Asia that are significantly affected by the spread of the virus. Additionally, the health crisis is not expected to end immediately, and the possibility of new pandemic waves or virus mutations that may affect the efficacy of vaccines administered cannot be excluded.

In any case, the Management of the Company and the Group closely and daily monitors the situation, evaluates and takes the measures deemed appropriate and necessary to limit the impact, protect the health and safety of employees and maintain the Group's business activities at satisfactory levels. In addition, government interventions and aid have been used to ensure its operational continuity and uninterrupted operation and to restrict the impact on the Group's financial situation, financial performance and results.

In the light of the developments and measures taken, as well as the ongoing implementations of the Group, neither the Group nor any individual activity of the Group shall, at the time of preparation of this Report, deal with any case or possibility of interruption of activity (going concern).

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:

01.01-31.12.2020	Financial Solutions	Business Solutions	Total
Sales	14.972.828	4.635.461	19.608.289
Less: Intercompany	2.769.868	1.797.530	4.567.398
Sales to third parties	12.202.960	2.837.931	15.040.891
Gross profit	**7.159.363**	**943.429**	**8.102.792**
Other income			705.143
Operating costs (disposal, administration and research)			(6.286.263)
Other operating expenses			(668.606)
Operating result			**1.853.066**
Financial income / (cost)			(599.195)
Profit before tax			**1.253.871**
Income taxes			(347.450)
Results after taxes			**906.421**
Non-controlling interests			(888)
Net Results after Tax attributable to the Shareholders of the Parent Company			**907.309**

31.12.2020	Financial Solutions	Business Solutions	Unallocated	Total Amounts
Intangible assets	5.989.112	564.697	-	6.553.809
Tangible assets	-	309.795	4.339.267	4.649.062
Other assets	9.542.704	6.223.776	10.371.217	26.137.697
Total liabilities	(4.875.898)	(3.207.023)	(7.308.758)	(15.391.679)
Net asset value	**10.655.918**	**3.891.245**	**7.401.726**	**21.948.889**

01.01-31.12.2019	Financial Solutions	Business Solutions	Total
Sales	16.335.701	3.735.123	20.070.824
Less: Intercompany	2.895.432	1.411.508	4.306.940
Sales to third parties	13.440.269	2.323.615	15.763.884
Gross profit	**7.701.829**	**800.269**	**8.502.098**

Other income			363.132
Operating costs (disposal, administration and research)			(5.919.568)
Other operating expenses			(861.267)
Operating result			**2.084.395**
Financial income / (cost)			351.214
Profit before tax			**2.435.609**
Income taxes			(666.014)
Results after taxes			**1.769.595**
Non-controlling interests			1.728
Net Results after Tax attributable to the Shareholders of the Parent Company			**1.767.867**

31.12.2019	Financial Solutions	Business Solutions	Unallocated	Total Amounts
Intangible assets	5.134.998	1.242.314	-	6.377.312
Tangible assets	-	678.912	4.466.452	5.145.364
Other assets	10.009.269	5.000.330	9.599.994	24.609.593
Total liabilities	(5.739.429)	(3.784.262)	(6.878.786)	(16.402.477)
Net asset value	**9.404.838**	**3.137.294**	**7.187.660**	**19.729.792**

It is noted that there is no question of the dependence of the Group on significant customers as, apart from a customer from the wider public sector which contributed 14%, all other customers are below the level of 9% of the total sales of the Group. It is noted that the aforementioned customer has long-term implementation contract that is in progress and is not considered as doubtful customer.

The Company has been organized operationally according to the categories of products and services. Specifically, in the case of the Company, there are two main categories, that of solutions aimed at the financial sector (such as FMS.next, RiskAvert, IMSplus, Axia, Acumennet) and that of solutions aimed at public (mainly ad hoc projects, such as de-recording court meetings) and private organizations.

The Company has chosen to organize its being by product categories as above, and not by geographical areas, as it does not consider it representative because the "research & development" that is an important factor for the Company is not related to geographical areas and, also, the results by geographic region are likely to be influenced by cyclical reasons and therefore not give reliable information. For example, a new customer in a certain geography is invoiced with licenses that are not repeated the following year, even though the same customer is retained the following year and is invoiced with maintenance contracts, which are of lower value than the licenses.

Nevertheless, it is disclosed for completeness that in 2020, 65% of the Group's total revenues came from non-Domestic customers.

7. EXPENSE ANALYSIS

The expenses of the Group and the Company for the year ended 2020 and year ended 2019 are analyzed as follows:

	GROUP		COMPANY	
	31.12.2020	**31.12.2019**	**31.12.2020**	**31.12.2019**
Cost of goods sold	40.227	2.174	42.662	3.127
Remuneration and staff costs	7.668.625	7.954.727	4.372.706	4.243.613
Fees and expenses of third parties	3.753.279	2.940.366	3.511.517	2.899.328

Third party benefits	339.416	332.433	267.643	240.268
Taxes Fees	81.217	201.075	38.452	49.430
Other Expenses	740.501	1.500.167	492.283	931.487
Depreciation of fixed assets	2.364.188	2.261.731	754.661	666.224
Total	**14.987.453**	**15.192.673**	**9.479.924**	**9.033.477**

The distribution of costs, is as follows:

	GROUP		COMPANY	
	31.12.2020	**31.12.2019**	**31.12.2020**	**31.12.2019**
Cost of Sales	6.938.099	7.261.786	4.819.027	4.807.377
Distribution costs	2.725.563	2.747.382	1.556.686	1.528.708
Administrative expenses	1.673.060	1.584.277	1.133.779	1.134.837
Research Expenses	1.887.640	1.587.909	1.445.678	964.377
Depreciation of Subsidized Assets	1.133.337	1.133.141	-	-
Total	**14.357.699**	**14.314.495**	**8.955.170**	**8.435.299**
Capitalized Expenses				
Program Development Costs	629.754	878.178	524.754	598.178
Total	**14.987.453**	**15.192.673**	**9.479.924**	**9.033.477**

Other operating expenses of the Group and the Company for the year ended 2020 and year ended 2019 are analyzed as follows:

	GROUP		COMPANY	
	31.12.2020	**31.12.2019**	**31.12.2020**	**31.12.2019**
Receivable write-offs	318.359	620.456	179.919	322.549
Inventory write-offs	-	91.351	-	84.157
Impairment of goodwill of subsidiary	220.000	-	220.000	-
Other expenses	130.247	149.460	69.975	3.628
Total	**668.606**	**861.267**	**469.894**	**410.334**

The number of personnel, for the Group and the Company, as of 31 December 2020 and 31 December 2019 and the payroll cost for the years 2020 and 2019 are analyzed as follows:

	2020		2019	
	GROUP	COMPANY	GROUP	COMPANY
Number of personnel	141	105	150	106
Total cost	**7.668.625**	**4.372.706**	**7.954.727**	**4.243.613**

8. FINANCIAL INCOME/EXPENSE ANALYSIS

The financial income/expenses for the Company and the Group for the fiscal years of 2020 and 2019 respectively, are analyzed as below:

	GROUP		COMPANY	
	31.12.2020	**31.12.2019**	**31.12.2020**	**31.12.2019**
Income from participations and securities	83.582	201.466	73.555	120.395
Profit/(loss) from selling of participations and securities	(16.655)	134.284	(16.655)	147.057
Profit/(loss) from foreign exchange differences	(374.337)	141.184	(159.053)	81.399

Profit/(loss) from fair value measurement of participations and securities	(93.305)	214.675	(93.305)	149.734
Interest subsidies due to Covid-19	61.880	-	61.880	-
Interest and bank expenses	(254.265)	(276.194)	(238.918)	(272.747)
Other financial expenses	12.084	(51.307)	(43.459)	(15.874)
Financial impact IFRS 16	(18.179)	(12.894)	-	-
Total	**(599.195)**	**351.214**	**(415.955)**	**209.964**

It is noted that in 2020 the de-escalation of borrowing costs continues, while negative valuations of assets in dollars and sterling have been observed, but this has been largely reversed in the first months of 2021.

9. INCOME TAX

The income tax of the financial statements is analyzed as follows:

	GROUP		COMPANY	
	31.12.2020	**31.12.2019**	**31.12.2020**	**31.12.2019**
Current income tax	222.595	425.364	58.776	275.261
Deferred income tax	124.855	240.650	90.270	117.151
Income taxes	**347.450**	**666.014**	**149.046**	**392.412**

The amount of taxes has been calculated using the actual tax rates for each fiscal year. Non-deductible expenses include mainly provisions that are reversed by management when calculating income tax.
Income tax declarations are filed on a yearly basis, but profits and losses reported for tax purposes are concluded when the tax authorities review the tax returns and taxpayers' books at the time that the related tax liabilities are settled. Tax losses, to the extent that are recognized by the tax authorities, may be used to offset profits for the five following fiscal years after the current fiscal year.

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

	GROUP		COMPANY	
	31.12.2020	**31.12.2019**	**31.12.2020**	**31.12.2019**
Profit before tax	**1.253.871**	**2.435.609**	**647.703**	**1.220.555**
Income tax calculated at the nominal applicable tax rate 2020, 2019: 24%	300.929	584.546	155.448	292.933
Tax effect of non -taxable income	(235.211)	49.049	(384.000)	(32.574)
Referred Tax due to change in tax rate	-	33.183	-	26.722
Revaluation of deferred tax assets	76.287	-	76.287	-
Tax effect of different tax rates applicable to other countries where the Group operates	(137.920)	(159.737)	-	-
Tax effect of non-tax-deductible expenses	410.041	183.084	372.503	168.131
Prior year tax differences	(72.192)	(37.794)	(72.192)	(63.800)
Differences of tax audit and other taxes	5.516	13.683	1.000	1.000
Income taxes that reported in the Income Statement	**347.450**	**666.014**	**149.046**	**392.412**

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

	GROUP		COMPANY	
	31.12.2020	**31.12.2019**	**31.12.2020**	**31.12.2019**
Deferred tax asset	944.566	1.018.988	772.281	766.352

Deferred tax liabilities	(602.364)	(552.884)	(466.920)	(370.141)
	342.202	**466.104**	**305.361**	**396.211**

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	
	31.12.2020	**31.12.2019**	**31.12.2020**	**31.12.2019**
Beginning balance	466.104	697.649	396.211	506.678
Income tax (debit)/ credit	(124.855)	(240.650)	(90.270)	(117.151)
Income tax (debit)/ credit through OCI	953	9.105	(580)	6.684
Ending balance	**342.202**	**466.104**	**305.361**	**396.211**

The nature of the temporary differences and the breakdown of the financial year 01.01.2020-31.12.2020 for the Group is as follows:

GROUP	Beginning Balance	Debits / Credits (-) of Results	Debits / Credits (-) of OCI	Ending Balance
Provisions for doubtful	460.415	(164)	-	460.251
Intangible asset write-offs	(201.414)	42.418	-	(158.996)
Leases	506	(3.720)	-	(3.214)
Provisions for Staff Compensation	276.152	(27.920)	953	249.185
Land-building revaluation adjustment	(316.015)	-	-	(316.015)
Difference in depreciation rates	93.088	(34.668)	-	58.420
Deferred expenses	1.239	-	-	1.239
Revenues / expenses accrued	1.800	(86.776)	-	(84.976)
Tax loss receivable	158.027	(10.822)	-	147.205
Impairment provision on Inventories	7.139	-	-	7.139
Deferred income	(35.960)	(3.203)	-	(39.163)
Other impairment provisions	21.127	-	-	21.127
Total	**466.104**	**(124.855)**	**953**	**342.202**

The nature of the temporary differences and the breakdown of the financial year 01.01.2020-31.12.2020 for the Company is as follows:

COMPANY	Beginning balance	Debits / Credits (-) of Results	Debits / Credits (-) of OCI	Ending Balance
Provisions for doubtful	422.016	(164)	-	421.852
Intangible asset write-offs	195.959	(16.918)	-	179.041
Provisions for Staff Compensation	106.758	23.591	(580)	129.769
Land-building revaluation adjustment	(320.598)	-	-	(320.598)
Difference in depreciation rates	(13.584)	(16.441)	-	(30.025)
Claim on tax loss	-	(76.287)		(76.287)
Deferred income	(35.960)	(4.051)	-	(40.011)

Other impairment provisions	41.620	-	-	41.620
Total	**396.211**	**(90.270)**	**(580)**	**305.361**

10. EARNINGS PER SHARE

The earnings per share are calculated by dividing the profit attributable to ordinary equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The calculation of the basic earnings per share at 31.12.2020 and 31.12.2019 is as follows:

GROUP	31.12.2020	31.12.2019
Net profit attributable to the shareholders of the parent	907.309	1.767.867
Weighted average number of shares in circulation	11.809.242	11.594.609
Earnings per share	**0,0768**	**0,1525**

The calculation of impaired earnings per share at 31.12.2020 is as follows:

GROUP	31.12.2020	31.12.2019
Net profit attributable to the shareholders of the parent	907.309	1.767.867
Weighted average number of shares in circulation	11.809.242	11.594.609
Stock Option Plan Adjustments	218.666	-
Average weighted number of shares to calculate impaired earnings per share	12.027.908	11.594.609
Impaired earnings per share	**0,0754**	**0,1525**

The impaired earnings per share result from the adjustment of the weighted average of existing common shares during the period for potentially issued common shares. The Company disposes of shares of this class, which result from a stock options plan to the Group's staff.

11. 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
Acquisition value 01.01.2019	**2.050.000**	**4.209.052**	**1.062**	**38.016**	**3.951.305**	**10.249.435**
Additions in period	-	-	-	-	77.284	77.284
Disposals/ Write-offs	-	-	-	-	-	-
Balance 31.12.2019	**2.050.000**	**4.209.052**	**1.062**	**38.016**	**4.028.589**	**10.326.719**
Additions in period	-	-	-	-	41.614	41.614
Disposals/ Write-offs	-	-	-	-	(1.118.989)	(1.118.989)
Balance 31.12.2020	**2.050.000**	**4.209.052**	**1.062**	**38.016**	**2.951.214**	**9.249.344**
Accumulated depreciations 01.01.2019	-	**(1.790.598)**	**(1.062)**	**(37.471)**	**(2.825.438)**	**(4.654.569)**
Disposals/ Write-offs	-	-	-	-	11	11

Depreciations in period	-	(127.364)	-	(243)	(399.190)	(526.797)
Accumulated depreciations 31.12.2019	**-**	**(1.917.962)**	**(1.062)**	**(37.714)**	**(3.224.617)**	**(5.181.355)**
Disposals/ Write-offs	-	-	-	-	1.117.933	1.117.933
Depreciations in period	-	(126.972)	-	(238)	(409.650)	(536.860)
Accumulated depreciations 31.12.2020	**-**	**(2.044.934)**	**(1.062)**	**(37.952)**	**(2.516.334)**	**(4.600.282)**
Net book value 01.01.2019	**2.050.000**	**2.418.454**	-	**545**	**1.125.867**	**5.594.866**
Net book value 31.12.2019	**2.050.000**	**2.291.090**	**-**	**302**	**803.972**	**5.145.364**
Net book value 31.12.2020	**2.050.000**	**2.164.118**	**-**	**64**	**434.880**	**4.649.062**

Tangible assets of the Company are presented as follows:

COMPANY	Land	Buildings	Mechanical Equipment	Means of transportation	Furniture and other equipment	Total
Acquisition value 01.01.2019	**2.050.000**	**4.190.257**	**-**	**36.842**	**1.800.946**	**8.078.045**
Additions in period	-	-	-	-	66.178	66.178
Disposals/ Write-offs	-	-	-	-	-	-
Balance 31.12.2019	**2.050.000**	**4.190.257**	**-**	**36.842**	**1.867.124**	**8.144.223**
Additions in period	-	-	-	-	30.188	30.188
Disposals/ Write-offs	-	-	-	-	(1.103.184)	(1.103.184)
Balance 31.12.2020	**2.050.000**	**4.190.257**	**-**	**36.842**	**794.128**	**7.071.227**
Accumulated depreciations 01.01.2019	-	**(1.775.243)**	**-**	**(36.296)**	**(1.721.575)**	**(3.533.114)**
Disposals/ Write-offs	-	-	-	-	-	-
Depreciations in period	-	(125.708)	-	(243)	(30.565)	(156.516)
Accumulated depreciations 31.12.2019	**-**	**(1.900.951)**	**-**	**(36.539)**	**(1.752.140)**	**(3.689.630)**
Disposals/ Write-offs	-	-	-	-	1.100.927	1.100.927
Depreciations in period	-	(125.708)	-	(238)	(34.122)	(160.068)
Accumulated depreciations 31.12.2020	**-**	**(2.026.659)**	**-**	**(36.777)**	**(685.335)**	**(2.748.771)**
Net book value 01.01.2019	**2.050.000**	**2.415.014**	-	**546**	**79.371**	**4.544.931**
Net book value 31.12.2019	**2.050.000**	**2.289.306**	**-**	**303**	**114.984**	**4.454.593**

Net book value 31.12.2020	**2.050.000**	**2.163.598**	**-**	**65**	**108.793**	**4.322.456**

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 was underwritten to secure a bank loan that has been fully redeemed during the fiscal year 2012. However, its formal lifting was completed during the fiscal year 2020.

12. GOODWILL

Goodwill for the Group is analyzed as follows:

Subsidiaries (Cash flow units)	Balance 31.12.2019	Increase	Decrease	Balance 31.12.2020
LOGIN S.A.	687.350	-	-	687.350
GLOBAL SOFT S.A.	764.809	-	(220.000)	544.809
Goodwill	**1.452.159**	**-**	**(220.000)**	**1.232.159**

On 31 December 2020, the Group conducted the annual impairment test for goodwill.
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 was 9,3% for Greece and 6,5% for France and the growth rate of the cash flow beyond the forecast period was calculated as 1,4%.

As a result of the analysis, the Company's management recognized impairment of goodwill equal to 220 thousand euro, as the use value was lower 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.

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 2019.

The 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 equity. The cost of equity is derived from the expected return on the investment of the Group's investors. The cost of borrowing is based on the effective interest rate on loans that the Group is using.

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

13. INTANGIBLE ASSETS

The intangible assets of the Group are analyzed as follows:

GROUP	Development expenses	Purchased Software	Other intangible assets	Total
Net book value 01.01.2019	**5.242.575**	**70.168**	**319.833**	**5.632.576**
Additions in period	878.906	2.523	-	881.429
Amortizations in period	(1.491.105)	(26.654)	(71.093)	(1.588.852)
Net book value 31.12.2019	**4.630.376**	**46.037**	**248.740**	**4.925.153**
Additions in period	1.770.726	317.830	-	2.088.556
Amortizations in period	(1.595.378)	(25.588)	(71.093)	(1.692.059)
Net book value 31.12.2020	**4.805.724**	**338.279**	**177.647**	**5.321.650**

The intangible assets of the Company are analyzed as follows:

COMPANY	Development expenses	Purchased Software	Total
Net book value 01.01.2019	**1.987.449**	**32.046**	**2.019.495**
Additions in period	598.178	-	598.178
Amortizations in period	(499.348)	(10.360)	(509.708)
Net book value 31.12.2019	**2.086.279**	**21.686**	**2.107.965**
Additions in period	621.754	2.404	624.158
Amortizations in period	(584.448)	(10.145)	(594.593)
Net book value 31.12.2020	**2.123.585**	**13.945**	**2.137.530**

Intangible assets mainly include the cost of developing banking platforms and investment management, purchased software, as well as intangible assets acquired through acquisitions. The software development costs of the year include expenses of the Company and the Group (see note 7), as well as software development costs by third parties on our behalf.

14. INVESTMENTS IN SUBSIDIARIES

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

COMPANY	Balance at 31.12.2019	Increases (Decreases) in period	Balance at 31.12.2020
GLOBAL SOFT A.E.	1.351.639	(220.000)	1.131.639
PROFILE SYSTEMS & SOFTWARE (CYPRUS) LTD	1.500.195	-	1.500.195
PROFILE DIGITAL SERVICES A.E.	580.000	-	580.000
PROFILE TECHNOLOGIES MON. A.E.	-	1.400.000	1.400.000
Total	**3.431.834**	**1.180.000**	**4.611.834**

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.

The share capital of 'PROFILE TECNHOLOGIES SA", which was established on 16th June 2020, has been set to 2.000.000 € with partial payment. During the closing year, the amount of 1.400.000 € has been paid.

15. INVENTORIES

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

	GROUP		COMPANY	
	31.12.2020	**31.12.2019**	**31.12.2020**	**31.12.2019**
Inventories	84.519	93.260	58.539	69.702
Impairment provision	-	-	-	-
Total	**84.519**	**93.260**	**58.539**	**69.702**

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.

16. TRADE AND OTHER COMMERCIAL RECEIVABLES

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

	GROUP		COMPANY	
	31.12.2020	**31.12.2019**	**31.12.2020**	**31.12.2019**
Clients	10.457.197	10.502.985	7.940.154	8.298.718
Billing notes received	7.104	7.104	3.696	3.696
Postdated cheques	231.600	421.121	183.231	372.439
Less: Provision for impairment	(4.440.650)	(4.426.798)	(4.086.872)	(4.087.556)
Total	**6.255.251**	**6.504.412**	**4.040.209**	**4.587.297**
Less: Receivables under litigation transferred to Other Receivables	(2.555.761)	(2.555.761)	(2.555.761)	(2.555.761)
Grand Total	**3.699.490**	**3.948.651**	**1.484.448**	**2.031.536**

The account receivable from clients is non-interest-bearing and usually settled in 30 - 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.

At December 31, 2020 trade receivables and the related Impairment are analyzed as follows:

	GROUP		COMPANY	
	Trade Receivable	**Impairment**	**Trade Receivable**	**Impairment**
Not due	2.819.719	(2.291)	1.200.547	(2.070)
Past due more than 120 days	690.879	(39.495)	2.062	(39)
Past due more than 240 days	249.001	(23.371)	232.535	(13.080)
Past due more than 360 days	4.380.541	(4.375.493)	4.136.176	(4.071.683)
Total	**8.140.140**	**(4.440.650)**	**5.571.320**	**(4.086.872)**

The Group applies the simplified approach, in accordance with IFRS 9 and calculates ECLs on Trade Receivables based on lifetime expected credit losses. The Group uses the historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment, policy that the Group also used to have in the previous years. The total effect for 2020 is included in the results of the current fiscal year.

The movement in the provision for impairment of trade receivables is set out below:

	GROUP	COMPANY
Balance 31.12.2018	**4.375.493**	**4.071.683**
Provision as per IFRS 9	51.305	15.873
Write-offs	-	-
Balance 31.12.2019	**4.426.798**	**4.087.556**
Provision as per IFRS 9	13.852	(684)
Write-offs	-	-
Balance 31.12.2020	**4.440.650**	**4.086.872**

17. PREPAYMENTS AND OTHER RECEIVABLES

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

	GROUP		COMPANY	
	31.12.2020	**31.12.2019**	**31.12.2020**	**31.12.2019**
Advances	208.630	20.738	202.287	11.860
Greek state	386.029	847.344	255.149	641.014
Prepaid expenses	250.573	298.881	162.548	236.500
Accrued income receivable	1.505.756	444.930	1.137.673	115.425
Other debtors	2.897.841	2.824.771	2.799.347	2.788.831
Total	**5.248.829**	**4.436.664**	**4.557.004**	**3.793.630**

These other receivables are considered to be short-term. Their fair values are considered to approximate their book values.

In 2016, following a partial audit, the Company was charged with a tax charge of € 303 thousand plus penalties for a pending case for the years 2005-2006, which has been tried at the end of 2019. At the end of May 2020, Piraeus Court of First Instance issued the relevant decisions, which vindicated the Company's complaints in their entirety, deleted the charges and the Greek State refunded the taxes paid with the corresponding interest amounting to € 504.79 thousand during the fiscal year 2020.

The Accrued Income receivable relates to a recognized value from implemented services which, on the basis of contracts with customers, were not invoiced until 31.12.2020. The Accrued Income receivable mainly relates to implementation contracts with two public sector bodies, while the related costs are presented in the item Accrued expenses and interest payable (Note 28).

Under the account "Other debtors" an amount of € 2.556 thousand is included, which relates to two claims under litigation, from the wider public sector with amounts of € 2.067 thousand and € 489 thousand, that have not yet been finalized in court so that they can be enforced, but have been tried on the first degree with a positive outcome for the company. The final verdicts are expected during the current fiscal year (2021). The company considers that the interest-bearing claims, are reasonable, well-founded and documented, as on the one hand there are the evidence of delivery of equipment and services (a fact which was demonstrated during the court proceedings) and on the other hand the debtors continue to function normally on their markets, there is therefore no objective evidence of impairment on those receivables.

18. SHORT-TERM INVESTMENTS

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

	GROUP		COMPANY	
	31.12.2020	**31.12.2019**	**31.12.2020**	**31.12.2019**
Opening Balance	**2.170.713**	**5.895.321**	**1.794.386**	**4.400.555**
Additions in period	183.575	788.143	183.575	788.143
Sales in period	(226.250)	(4.727.426)	(226.250)	(3.544.046)
Total short-term investments	**2.128.038**	**1.956.038**	**1.751.711**	**1.644.652**
Revaluation at fair value	(50.921)	214.675	(93.305)	149.734
Currency differences	861	-	-	-
Ending balance	**2.077.978**	**2.170.713**	**1.658.406**	**1.794.386**

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. An important part of these additions and sales concerns the recycling / reinvestment of these short-term placements

The short-term investments are calculated at fair value through profit or loss.

19. CASH AND CASH EQUIVALENTS

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

	GROUP		COMPANY	
	31.12.2020	**31.12.2019**	**31.12.2020**	**31.12.2019**
Cash on hand	45.650	8.859	39.783	3.308
Cash in banks	13.862.786	12.866.804	7.716.663	6.494.219
Total	**13.908.436**	**12.875.663**	**7.756.446**	**6.497.527**

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.

20. SHARE CAPITAL AND SHARE PREMIUM

Company's Share Capital movement is as follows:

	Shares	Share Capital	Share Premium
Balance 01.01.2019	**11.812.193**	**5.551.731**	**2.925.510**
Share Capital Increase	-	157.954	(157.954)
Capital increase through special reserves	-	432.655	-
Share capital decrease	-	(590.609)	-
Balance 31.12.2019	**11.812.193**	**5.551.731**	**2.767.556**
Share Capital Increase	-	531.549	(531.549)
Capital increase through special reserves	-	-	-
Share Capital Increase through stock options plan	91.368	42.943	112.383
Share capital decrease	-	(531.649)	-
Balance 31.12.2020	**11.903.561**	**5.594.674**	**2.348.390**

The share capital of the Company as at 31st December 2020 amounted to € 5.594.674 (31st December 2019: € 5.551.731) divided into 11.903.561 common registered shares of nominal value € 0,47 each.

On 6th of March 2020, the Extraordinary General Meeting of Shareholders on 6th March 2020 approved: a) the increase of the Company's share capital by the amount of € 531.548,69

b) the decrease of the Company's share capital by the amount of € 531.548,69, by a decrease of the nominal value of each share of the Company by € 0,045, i.e. € 0,515 to € 0,045.

The share capital of the company amounted to € 5.551.730,71 divided into 11.812.193 common registered shares of nominal value € 0,47 each.

During the first year of implementation of the Stock Option Plan to selected executives of the Company and its affiliated companies, which plan was established pursuant to the decision of the Board of Directors of 16.01.2020 following the annual general meeting of shareholders granted by the First Recurring Annual General Meeting of 25 May 2018, on 4th December 2020 the BoD approved the increase of the Company's share capital by the amount of 42.942,96 €, by issuing 91,368 share options, with the disposal price of EUR 1,70 per share.

As a result, the total share capital of the company at the end of the closing year rises up to € 5.594.674 divided into 11.903.561 common registered shares of nominal value € 0,47 each.

21. TREASURY SHARES

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

	GROUP		COMPANY	
	Shares	**Value**	**Shares**	**Value**
Balance 01.01.2019	**412.219**	**467.731**	**412.219**	**466.634**
Purchase of treasury shares during the year 2019	562.149	1.759.193	562.149	1.759.193
Selling of treasury shares during the year 2019	(436.000)	(859.730)	(436.000)	(859.730)
Balance 31.12.2019	**538.368**	**1.367.194**	**538.368**	**1.366.097**
Purchase of treasury shares during the year 2020	284.596	1.022.095	284.596	1.022.095
Selling of treasury shares during the year 2020	(776.264)	(2.199.355)	(776.264)	(2.199.355)
Balance 31.12.2020	**46.700**	**189.934**	**46.700**	**188.837**

22. RESERVES

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

GROUP	01.01.2020	Change	31.12.2020
Legal reserve	701.973	55.647	757.620
Tax free reserve of special tax regulations	2.518.440	-	2.518.440
Other Reserves	2.117.860	1.000.000	3.117.860
Reserves from stock options	-	431.223	431.223
Special investment reserve cover ICT4GROWTH	852.851	-	852.851
Total	**6.191.124**	**1.486.870**	**7.677.994**

COMPANY	01.01.2020	Change	31.12.2020
Legal reserve	686.343	41.407	727.750
Tax free reserve of special tax regulations	2.519.458	-	2.519.458

Other Reserves	2.117.860	1.000.000	3.117.860
Reserves from stock options	-	431.223	431.223
Special investment reserve cover ICT4GROWTH	796.080	-	796.080
Total	**6.119.741**	**1.472.630**	**7.592.371**

23. BORROWINGS

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

	GROUP		COMPANY	
	31.12.2020	**31.12.2019**	**31.12.2020**	**31.12.2019**
Long-term debt	2.000.000	-	2.000.000	-
Total Long-term debt	**2.000.000**	**-**	**2.000.000**	**-**
Short- term debt	2.103.878	2.605.442	1.667.305	2.168.864
Current portion of Long-term loans	14.822	1.510.896	14.822	1.510.896
Total Short-term debt	**2.118.700**	**4.116.338**	**1.682.127**	**3.679.760**
Total debt	**4.118.700**	**4.116.338**	**3.682.127**	**3.679.760**

Loans are simple bilateral loans (not convertible, etc.) of floating interest rates with total cost of debt 3,1%, which is considered and indeed is market rate. Long-term loans are of 4-year duration and have grace period equal to 12 months.

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.

The Group's other long-term liabilities amounting to € 634,63 thousand, concern repayable advance, taking advantage of State contribution and aid under the Covid-19 pandemic.

24. PROVISION FOR EMPLOYEES' INDEMNITIES

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 leaving due to retirement. The relevant liability was calculated based on an actuarial study by a company of independent actuaries and is analyzed as follows:

	GROUP	COMPANY
Balance of liability at 01.01.2019	**857.287**	**355.338**
Employment cost for the period 1.1-31.12.2019	293.109	54.006
Financial cost for the period 1.1-31.12.2019	10.745	9.497
Paid indemnities for the period 1.1-31.12.2019	(1.867)	(1.867)
Actuarial gains / losses for the period 1.1 – 31.12.2019	37.936	27.850
Balance of liability at 31.12.2019	**1.197.210**	**444.824**
Employment cost for the period 1.1-31.12.2020	90.202	79.873
Financial cost for the period 1.1-31.12.2020	9.232	8.328
Paid indemnities for the period 1.1-31.12.2020	(138.224)	(42.683)
Actuarial gains / losses for the period 1.1 – 31.12.2020	3.970	(2.416)
Internal Movements	-	52.777
Balance of liability at 31.12.2020	**1.162.390**	**540.703**
Basic Assumptions:	**31.12.2020**	**31.12.2019**
Discount rate	0,39%	1,18%
Inflation	1,00%	1,50%

Future salary increases	1,00%	1,50%

The use of a higher technical interest rate of 0,5% would result in a lower respective obligation by 7,6% while the exact opposite movement, i.e. the use of a lower technical interest rate of 0,5%, would result in a higher respective obligation by 7,6%.

The use of a higher technical interest rate of 0,5% would result in a lower actual cost of the next fiscal year by 11% while the exact opposite movement, i.e. the use of a lower technical interest rate of 0,5%, would result in a higher actual cost by 11%.

25. STOCK OPTION PLAN

The Board of Directors of the Company at its meeting of 16 January 2020, following the annual general meeting of shareholders of 25 May 2018, regarding the establishment of a Share Options Plan for the members of the Board of Directors, directors and staff of the Company, has drafted the specific terms of this Program.
The duration of the program has been set until 2025, in the sense that the total stock options to be granted to beneficiaries may be exercised by November 2025 at the latest.
The number of Rights to be made available under this Program may be up to six hundred thousand (600,000) for its total duration (until 2025). Consequently, the maximum number of shares to be issued, if the Board of Directors grants the maximum number of Rights and the Beneficiaries exercise all of them, may not exceed 600,000 shares.
In order to exercise the options that have matured, the Beneficiaries must, at the time of exercise, have an employment contract and/or a paid mandate with the Company in force or be employed under a decision of the Company's Management in a company belonging to the Group.
Finally, it was provided that in the event of corporate events or transactions or the occurrence of other corporate events, the terms of the Program may be adjusted by the Board of Directors in such a way as not to prejudice the rights of the Beneficiaries.

The options granted in the financial year 2020 shall mature in instalments as follows:
- 1st November 2020, 115.093 stock options
- 1st November 2021, 142.483 stock options
- 1st November 2022, 145.954 stock options
- 1st November 2023, 28.220 stock options

Changes in the number of stock options during the financial year are as follows:

	No. of Stock Options
Balance 01.01.2020	**-**
Allocated	431.750
Exercised	(91.368)
Expired	-
Balance 31.12.2020	**340.382**

The matured and exercised rights at 31.12.2020 amount to 23,725.
Fair value per right was calculated using the Black & Scholes valuation model. The important variables involved in this model are the share price, the exercise price, the discount rate and the volatility of the share price.

The variables based on which the above were calculated are:

Exercise Price	€ 1,70
Grant date	16.01.2020
Share Price on Grant Date	€ 3,97
Stock Volatility	35%
Risk Free Rate	0,46%

From the valuation of the options granted, the period 01.01.2020-31.12.2020 was debited with the amount of Eur 431.223.49.

26. 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 01.01.2019	**3.854.587**	**492.824**
Recognized Grant in 2019	-	-
Depreciation of Grants for the year 2019	(1.407.193)	(239.675)
Balance 31.12.2019	**2.447.394**	**253.149**
Recognized Grant in χρήση 2020	-	-
Depreciation of Grants for the year 2020	(1.270.195)	(104.633)
Balance 31.12.2020	**1.177.199**	**148.516**
Less: current portion of Grants classified under accrued income.	(1.019.159)	(77.504)
Long-term amount of Governmental Grants	**158.040**	**71.012**

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. In addition, Grants amounted € 1.019 thousand (€ 1.130 thousand 2019) have been transferred at accrued income, part of which, are recognized in the following 12 months (see Note 28).

27. TRADE PAYABLES

Suppliers for the Group and the Company are analyzed as follows:

	GROUP		COMPANY	
	31.12.2020	**31.12.2019**	**31.12.2020**	**31.12.2019**
Suppliers	1.458.863	1.869.024	1.011.414	1.737.985
Cheques payable	78.040	76.375	78.040	76.375
Total	**1.536.903**	**1.945.399**	**1.089.454**	**1.814.360**

28. OTHER PAYABLES

Other payables for the Group and the Company are analyzed as follows:

	GROUP		COMPANY	
	31.12.2020	**31.12.2019**	**31.12.2020**	**31.12.2019**
Customer advances	347.214	164.549	325.840	480.842
Accrued expenses and interest payable	1.478.752	1.044.643	886.938	325.082

Accrued Income	2.420.906	2.758.950	594.233	803.394
Other liabilities	1.064.664	1.460.449	890.230	749.835
Total	**5.311.536**	**5.428.591**	**2.697.241**	**2.359.153**

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 31.12.2020, 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 € 1.019 thousand in a carry-forward of the portion of the new grants (see Note 26) recognized in the next 12 months.

29. TRANSACTIONS WITH RELATED PARTIES

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

	Sales		Purchases	
Intercompany transactions	**2020**	**2019**	**2020**	**2019**
GLOBAL SOFT A.E.	132.032	135.968	251.469	234.895
PROFILE SYSTEMS & SOFTWARE (CYPRUS) LTD	810.486	430.989	-	-
PROFILE SOFTWARE (UK) Ltd	516.799	791.065	-	-
PROFILE DIGITAL SERVICES A.E.	1.808.570	1.422.548	-	-
LOGIN S.A.	659.704	900.027	128.486	231.271
Total	**3.927.591**	**3.680.597**	**379.955**	**466.166**

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 (arm’s length basis).

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

- The support 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	**31.12.2020**	**31.12.2019**	**31.12.2020**	**31.12.2019**
GLOBAL SOFT A.E.	18.920	-	40.141	242.592
PROFILE SYSTEMS & SOFTWARE (CYPRUS) LTD	168.639	-	-	60.091
COMPUTER INTERNATIONAL FRANCHISE Ε.Π.Ε.	171.535	171.433	-	-
PROFILE SOFTWARE (UK) LTD	280.191	56.629	-	-
PROFILE DIGITAL SERVICES A.E.	20	-	-	377.591
LOGIN S.A.	-	33.639	7.272	-
Total	**639.305**	**261.701**	**47.413**	**680.274**

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 2020 amounted to € 1.157.129 (2019: € 1.069.495).

30. LEASES (IFRS 16)
IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Group and the Company adopted IFRS 16 using the following practical expedients on transition permitted by the standard: (a) recognized a liability that would be measured at present value as a result of the discounting of the rents remaining to be paid at the extra borrowing rate in force at the date of initial application, and (b) recognized a right of use asset allocating this right to an amount which is equal to the respective recognized liability. After initial recognition, the Group will a) measure the use of fixed assets and depreciate them consistently throughout the lease; and b) measure the corresponding liability, increasing and decreasing the open balance in a way that reflects interest and lease payments. respectively.

Accounting treatment
In adopting IFRS 16, the Company applied a single accounting framework for all leases. The Group recognized the right to use fixed assets and liabilities for these leases previously classified as operating other than low value leases. The lease liability is recognized as the present value of the outstanding payments, discounted at the cost of additional borrowing at the date of initial application. The Group has implemented the facilitation practices as follows:

- Used an average weighted discount rate at 01.01.2019 of 2,5% for the Group.
- Evaluated, based on past experience, the duration of leases whose contract includes a term of extension or termination.

The following are the Company's new accounting policies when adopting IFRS 16, effective from the date of initial application:

Right of Use Assets
The Company recognizes the right of use in assets at the commencement of the lease (the date the asset is available for pre-use). The rights to use fixed assets are measured at cost less accumulated depreciation and impairment adjusted when measuring the corresponding lease liabilities.

The right of Use Asset is tested for impairment when there are indications for impairment.

Lease Liabilities
At the commencement of the lease, the Company recognizes lease liabilities equal to the present value of the leases over the entire term of the lease.

To calculate the present value of payments, the Company uses the cost of additional borrowing at the lease date, unless the effective interest rate is directly determined by the lease. Following the commencement of the lease, the amount of the lease liabilities is increased by the interest expense and is reduced by the lease payments made. In addition, the carrying amount of the lease liabilities is measured if there is a contract amendment, any change in the term of the contract, the fixed leases or the market valuation of the asset.

The effect of the application of IFRS 16 on 1 January 2020 (increase / (decrease)) is as follows:

	GROUP
Right-of-use assets	
Right-of-use assets 01.01.2020	434.744
Add-ons for the period	267.215
Depreciations for the period	(135.269)
Right-of-use assets 31.12.2020	**566.690**
Recognized Liabilities 01.01.2020	437.790

Add-ons for the period	267.215
Interests for the period	18.179
Payments for the period	(164.890)
Balance 31.12.2020	**558.294**
Long-Term lease liabilities	**484.730**
Short-Term lease liabilities	**73.564**
Balance 31.12.2020	**558.294**

31. FAIR VALUE MEASUREMENT

Fair Value: The carrying amounts reflected in the accompanying statements of financial position for cash and cash equivalents, trade and other accounts receivable, prepayments, trade and other accounts payable and accrued and other current liabilities, approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

The fair value of the loans of 31.12.2019 for the Group and the Company approximate their carrying amounts reflected in the statements of financial position, as they relate 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 euros, and they are not convertible, nor have any weights, commitments or special clauses.

Consequently, although these loans are classified in the category 1-5 years, there is no difference between the fair value and the accounting obligations in relation to those liabilities.

The Group categorized its financial instruments carried at fair value in the below categories, defined 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 assets and liabilities recognized in the financial statements on a recurring basis, the Group determines if there have been transfers between hierarchy levels, through the re-evaluation and classification (based on the lower-level data that are important for the measurement of fair value as a whole) at the end of each reporting period.

At each reporting date, the Group analyzes the changes in value of liabilities subject to recalculation and revaluation in accordance with its accounting policies. For this analysis, management verifies the major inputs applied in the later assessment, confirming the data used in the valuation, through contracts and other relevant documents.

During the year ended December 31, 2019, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

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**	31.12.2020	2.077.978	**√**	-	-

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

32. AUDITOR'S REMUNERATION

The auditor's remuneration for the Group for fiscal year agreed as follows:

(a) Regular audit of financial statements: EUR 23 000.
(β) Tax audit : EUR 15.000.
In addition to the above audit services, no other services are provided by the auditors.

33. 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 31.12.2020 concern the following:

	ΟΜΙΛΟΣ	ΕΤΑΙΡΙΑ
Guarantees to ensure good execution of contracts with suppliers	28.700	28.700
Participation guarantees	33.527	33.527
Guarantees to ensure good execution of contracts with customers	509.320	509.320
Total	**571.547**	**571.547**

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

Name of Company	Unaudited fiscal years
PROFILE AEBE(**)	2015-2020
COMPUTER INTERNATIONAL FRANCHISE ΕΠΕ	2007-2020
GLOBAL SOFT A.E(**)	2015-2020
PROFILE SYSTEMS & SOFTWARE (CYPRUS) LTD	2014-2020
PROFILE SYSTEMS (UK) LTD*	2015-2020
PROFILE DIGITAL SERVICES A.E.(*)(**)	2015-2020
LOGIN S.A.	2011-2020
PROFILE TECHNOLOGIES MON. A.E. (***)	2020

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

** *For the years 2014-2018 an unreserved Tax Certificate has been issued by chartered accountants, in accordance with Article 65A par. 1 of the law 4174/2013. The subsidiary company Profile Digital SA has not been taxed according to the above provisions for the year 2015 because it did not meet the criteria of the Law.*

****Profile Technologies S.A. was established in the year 2020.*

For the year 2020, the Group's subsidiaries in Greece, have been reviewed through a tax audit from the Chartered Accountants as per the provisions of article 65A of the law 4174/2013. This tax audit is in progress and the related tax certificate is expected to be issued following the issuance of the attached Financial Statements for the year ended on 31st December 2019. If additional tax liabilities arise until the completion of the tax audit, the Group's management assumes that they will not have a significant effect in the annual financial statements.

The subsidiaries which are based abroad, are not subject to mandatory statutory tax audit. Audits are carried out exceptionally where appropriate by the tax authorities of each country on the basis of specific criteria. Tax liabilities resulting from the submission of the annual tax return remain under the control of the tax authorities for a certain period of time, in accordance with the tax laws of each country.

34. POST BALANCE SHEET EVENTS

On 19 March 2021, the agreement to acquire 100% of the share capital of the foreign investment management company Euronext Centevo was signed between the Profile Group and Euronext Nordics Holdings AS, as a result of the decision of the well-known Euronext group to de-invest from its specific non-core business. Euronext Centevo is based in Stockholm and consists of two units, one in Stockholm, Sweden and one in Oslo, Norway. In total, it employs a staff of 45, which is shared in these two regions. With revenues reaching €5.5m in 2020, Centevo serves the largest Asset and Fund Managers, as well as banks in the wider region (Norway, Sweden, Denmark, Finland), with a customer base of more than 65 different organizations. Centevo's solutions cover the areas of Asset Management, Fund Management, Trust Management, Family Office, and it also has a connectivity API with large local banks, offering a competitive advantage to Profile Group for expanding the functions offered and integrated solutions. These are solutions that complement the Group's portfolio, creating new opportunities for expansion and cross selling, both in geographical and product terms.

With the exception of the above, there are no events post the balance sheet date of the 31st December 2019, that concern the Company or the Group, required to be disclosed as per the International Financial Reporting Standards (IFRS).

Nea Smyrni, 26 April 2021

Chairman of the Board and CEO	Vice-Chairman of the Board	Chied Financial Officer	Accounting Manager
Stasinopoulos Charalampos	Angelides Evangelos	Kontochristopoulos Konstantinos	Santoukas Zafeiris
ID Σ577589	ID 1157610	ID AK 537719	ID AI 109838

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 2020 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.